

Executive Summary

Claims Committee Meeting, June 1, 2020

Board of Governors Meeting, June 24, 2020

Claims Estimate Mobile App Amendment to Property Loss Estimating Services ITN 14-0006

Citizens is requesting approval to amend the Xactware contract to enable usage of the Xactware Claims Estimate Mobile App. This App will streamline the estimate preparation process for field inspectors and will enable Citizens to provide real-time guidance and controls around how an estimate is prepared and submitted.

History

Citizens is requesting approval to amend its Xactware contract in order to use the Claims Estimate Mobile App. This App provides enhanced functionality to assist field inspectors with creating and submitting an estimate. It addresses challenges presented by the field inspection model, which is used to scale catastrophe operations when a storm hits an area with a high volume of policyholders. Under this model, Citizens must quickly onboard a large number of contracted field inspectors, most of whom may be new to Citizens and some of whom are new to performing adjusting services in general. While field inspectors must have an adjuster license or emergency adjuster authorization in accordance to Florida regulatory requirements, they are not required or expected to have as much experience as Adjusters under Citizens Adjusting Services contracts. These field inspectors are provided by multiple vendors pursuant to contracts for Field Inspection Services, which were entered into in 2018 pursuant to RFP 18-0023. The services are not used in normal day to day operations.

The Claims Estimate Mobile App will be a downloadable mobile application (for Android or Apple devices) that will enable the inspector to operate in an offline or online mode. The App will help guide these new inspectors through the inspection in a way that can better ensure adherence to Citizens Claims Handling Guidelines and provide an accurate estimate of the damaged property. Xactware has been custom developing this App for Citizens over the last several months pursuant to the contract's custom development services and previously allocated funds.

When the inspector has internet connectivity (online mode), they will be able to download multiple tasks in the App. Each task will be associated to a property claim. Once downloaded, the inspector will be able to view a step by step form which can be accessed in an offline mode when internet connectivity is unavailable. The guided assistance forms will walk the inspector through the inspection process for interior, exterior and roof inspections. The inspector will answer questions about each area. Based on the answers provided, behind the scenes logic will present options and subsequent questions that assist in the collection of the data necessary in order to generate a loss estimate in accordance with Citizens Claims Handling Guidelines. Once the inspector has internet connectivity, the App will automatically upload any completed inspection form data. That data will be sent to Xactware where an estimate will be automatically generated and compiled and sent to XactAnalysis where the estimate will follow the standard estimate review process. Only after the estimate has been reviewed for accuracy by an adjuster will the customer be contacted with their estimate. This will ensure that customers only receive the most accurate information regarding their claim and coverage.

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Under the proposed amendment, Citizens will pay a usage-based fee that is required for the App. Citizens is requesting approval for an additional \$1,500,000 spend under the Xactware contract for this usage-based fee. This would result in total approved contract spend not to exceed \$16,735,000.

Additionally, at some point, it is anticipated that usage of the Claim Estimate Mobile App may extend out to our Field Adjuster teams as we become more familiar and proficient using the tool. If this additional usage by field adjusters requires more contract spend than authorized under this Consent Item, Citizens will seek board approval for the necessary additional spend at that time.

Recommendation

Staff recommends the Citizens' Claims Committee approve and recommends the Board:

- a) Approve the recommended contract amendment to add the required per usage fee for the Claims Estimate Mobile App, for the length of the remaining contract renewal periods for Property Loss Estimating Services, ITN 14-0006;
- b) Approve the recommended increase of the total contract spend authority by \$1,500,000, to a total of \$16,735,000; and
- c) Authorize staff to take any appropriate or necessary action consistent with this Consent Item.

CONSENT ITEM

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Committee Meeting, June 01, 2020
Board of Governors Meeting, June 24, 2020

CONTRACT ID	Claim Estimate Mobile App (Contract Amendment) Property Loss Estimating Services ITN 14-0006 Xactware Solutions, Inc.
BUDGETED ITEM	No.
CONTRACT AMOUNT	<p>This Consent Item requests approval for an additional \$1,500,000 in contract spend for a total approved spend of \$16,735,000. This additional spend is requested for use of Xactware's Claim Estimate Mobile App.</p> <p>The Board of Governors approved \$13,000,000 of this total contract spend in February 2015. An additional \$2,175,000 was approved in September 2017 for Geomni Roof Reports. An additional \$60,000 was approved in December 2017 for ClaimXperience.</p>
CONTRACT HISTORY	This contract was procured pursuant to ITN 14-0006. The contract was approved by the Board of Governors in February 2015 and took effect on March 1, 2015.
CONTRACT TERM(S)	The current contract began in March 2015. It has a five (5) year base term, a three (3) year renewal term, and a two (2) year renewal term, for a total of ten (10) years.
PURPOSE / SCOPE	<p>This Consent Item seeks approval to amend the contract to add a usage-based fee for the Claims Estimate Mobile App. This additional fee is required for Citizens to use the App and its enhanced functionality described below. Xactware has been custom developing this enhanced functionality for Citizens over the last several months pursuant to the contract's custom development services and previously allocated funds. The App will aid Citizens with improving the estimating results produced by our contracted CAT field inspector teams. The App is designed for use on a tablet or smartphone, and it can be deployed to 100% of contracted field inspectors.</p> <p>The App enables Citizens to craft interactive templates that guide a field inspector through a site inspection one question at a time using "if/then" directives. This provides the inspectors with real time assistance to ensure that they collect all necessary information in accordance with Citizens Claims Handling Guidelines. Once this information is collected, the App also automatically prices those line items and generates an Xactimate estimate.</p> <p>The guidance provided by the App will improve overall estimate quality, including greater consistency and accuracy of information collected. It will help eliminate errors and provide for consistent compliance with Citizens requirements at the time of submission, rather than needing correction after submission when the estimate has often already been discussed with the policyholder. These improvements will enable Citizens to expand our field CAT resources to field inspectors with limited adjusting backgrounds. Additionally, at some point, usage may be extended to our field adjuster teams as well, as we become more familiar and proficient at using the tool. If this additional usage by field adjusters requires more contract spend than authorized under this Consent Item, Citizens will seek Board approval for the necessary additional spend at that time.</p>

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PROCUREMENT METHOD	This is an amendment to Citizens' current contract for Property Loss Estimating Services. The contract was procured pursuant to Invitation to Negotiate 14-0006. This contract was entered into with Xactware Solutions, Inc. effective March 1, 2015.
RECOMMENDATION	Staff recommends the Citizens' Claims Committee approve and recommends the Board: a) Approve the recommended amendment to add the required per usage fee for the Claims Estimate Mobile App, for the length of the remaining contract renewal periods for Property Loss Estimating Services, ITN 14-0006; b) Approve the recommended increase of the total contract spend authority by \$1,500,000, to a total of \$16,735,000; and c) Authorize staff to take any appropriate or necessary action consistent with this Consent Item.
CONTACTS	Jay Adams, Chief Claims Officer