

# Executive Summary

Board of Governors Meeting, September 23, 2020

## Actuarial Consulting Services - 1615002400

### Topic

Citizens is requesting approval to extend our existing contract with Insurance Services Office (ISO) for six (6) months to harmonize the ongoing procurement with the continuation of Actuarial Consulting Services. These services provide an annual peer review of Citizens' year-end reserves and support for various ad hoc projects.

### History

With our current contract expiring on February 1, 2021, the requested contract extension will provide the time needed to complete the year-end peer review as well as align the future contract as to not interfere with year-end reviews. Citizens' issued Invitation to Negotiate (ITN) No. 20-0001 on May 12, 2020 to replace the current expiring contract and is currently in the negotiation phase of this solicitation.

Citizens is requesting approval to extend for six (6) months our existing contract with Insurance Services Office (ISO) for Actuarial Consulting Services. This extension is authorized and in accordance with Section 287.057, Florida Statutes, and will be on the same terms and conditions set forth in the existing contract. These services supplement the in-house actuarial staff with a scalable/flexible outside resource. The support includes but may not be limited to a peer review of the Citizens' annual reserve report and ad hoc actuarial-related projects.

The annual peer review of Citizens' in-house annual reserve review, (the "Reserve Peer Review") consists of examining and providing an opinion with respect to Citizens' methods and final selections for all reserving segments, including any independent reserve study on any segment requested by Citizens. The annual peer review is due on February 15, with Insurance Services Office (ISO) providing a written acknowledgement that the methods and final selections for all reserving segments have been reviewed and deemed reasonable, and that Insurance Services Office (ISO) has no outstanding issues or concerns, (the "Confirmation of Determination"). No later than April 7, Insurance Services Office (ISO) will provide the final and formal peer review report that sets forth the results of the Reserve Peer Review, (the "Final Report"), and which will be included in Citizen' final year end reserving report. The Final Report must be signed by an accredited actuary providing his or her opinion as to the reasonableness of Citizens' carried reserves.

Citizens initially procured these services from Insurance Services Office (ISO) in 2015, through an Invitation to Negotiate (ITN) No.:15-0024 for a base contract term of three (3) years and a two (2) year renewal term. The original contract is set to expire on February 1, 2021, before the completion of Citizens' annual financial statement.

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## Recommendation

Staff recommends the Board of Governors:

- a) Approve a contract extension for a period of 6 months from February 1, 2021 through July 1, 2021; and
- b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.

# ACTION ITEM

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| <input type="checkbox"/> Contract – New                                    | <input type="checkbox"/> Committee or Board Minutes |
| <input checked="" type="checkbox"/> Contract – Amendment of Contract Terms | <input type="checkbox"/> Product Changes            |
| <input type="checkbox"/> Contract – Additional Spend                       | <input type="checkbox"/> Other _____                |

<b>Contract ID</b>	Title: Actuarial Consulting Services Contract number: 1615002400 Recommended vendor: Insurance Services Office Inc.
<b>Budgeted Item</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Procurement Method</b>	This ongoing contract is a result of an Invitation to Negotiation issued on August 12, 2015. This extension is authorized and in accordance with Section 287.057, Florida Statutes, and will be on the same terms and conditions set forth in the existing contract.
<b>Contract Amount</b>	The extension will not require additional spend authority.
<b>Contract Term(s)</b>	The requested six-month extension will be from February 1, 2021 through July 1, 2021.
<b>Purpose/Scope</b>	This Action Item seeks Board approval for extending the current contract with Citizens' vendor; Insurance Services Office (ISO). This extension will allow ISO time to complete a peer review of the 2020 year-end claim reserves. In addition, the extension will give Citizens' sufficient time to complete the new solicitation for Actuarial Consulting Services. Citizens' issued Invitation to Negotiate (ITN) No. 20-0001 on May 12, 2020 to replace the current expiring contract and is currently in the negotiation phase of this solicitation.
<b>Recommendation</b>	Staff proposes that the Board of Governors: a) Authorize the contract extension with Insurance Services Office (ISO) for an initial term of six months, as set forth in this Action Item; and b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.
<b>CONTACTS</b>	Jennifer Montero, Chief Financial Officer