



ADDENDUM NO.: 1
REQUEST FOR PROPOSALS NO.: 18-0025
FAST TRACK ADJUSTING SERVICES
5/2/2018

Citizens Property Insurance Corporation (Citizens) hereby formally amends the above referenced solicitation. The purpose of this Addendum is to answer questions received from Vendor(s) prior to the deadline in Paragraph 1.9, Calendar of Events and to amend the RFP as identified below.

Solicitation Changes:

Citizens hereby amends the RFP as follows:

1. RFP Section 1.1, Statement of Purpose, the Table is amended to read:

MINIMUM RESOURCE AND EXPERIENCE REQUIREMENTS
Vendor must have a minimum of seven (7) years five years (5) experience providing property and casualty insurance adjusting services.
Vendor must have a minimum of two (2) years of experience providing Services substantially similar to Fast Track Adjusting Services as described in this RFP and Attachment J, Draft Contract.
Vendor must provide a resource commitment of at least thirty-five (35) Committed Adjusters that meet the requirements of a Fast Track Adjuster as identified in Sections 3.1.1 and 4.2 of Attachment J, Draft Contract.

2. Attachment D, Minimum Requirements Acknowledgement Form is revised 5.2.18.
3. Attachment I, Price Sheet is revised 5.2.18.
4. Section 3.2.1 of Attachment J, Draft Agreement, the first paragraph following 3.2.1.5 is hereby amended to read:

The Adjuster will be responsible for all aspects of preparing the Completed Package. This includes making first contact with the policyholder, reviewing applicable policy information, ~~verifying any mortgage companies or additional interests, reviewing prior losses~~, writing the estimate pursuant to discussions with the policyholder, completing all file notes, and submitting the Completed Package back to Citizens. Citizens will be responsible for updating reserves, written communications to policyholders, and processing and issuing payments.

ANSWERS TO QUESTIONS:

1. RFP Section Attachment J Page #4: Question- How will the completed packages get sent back to Citizens?

Answer: Completed Packages will be sent back to Citizens via Xactimate.

2. Is there an exemption form for the 7 years in business requirement as we are a Florida based company?

Answer: No, there is no exception for a Florida based company. However, this requirement has been reduced to a minimum of five (5) years of experience providing property and casualty insurance adjusting services. Please refer to solicitation change #1 above.

3. RFP Section No. 2.3, Page #10: Question- How will the claims assignments be sent to the IA firms?

Answer: Assignments will be sent via the Xactimate platform.

4. Attachment J, Section 3.1.1. page 3. Services and Service Requirements. Vendor may modify its Committed Adjuster Total once annually, (a "Commitment Update"). The Commitment Update may reflect an increase or decrease to Vendor's Committed Adjuster Total; however, such modification cannot reduce Vendor's Committed Adjuster Total below thirty-five (35) Committed Adjusters. Vendor must provide the Commitment Update to Citizens' Contract Manager in writing during the month of May, and Vendor must obtain confirmation of receipt of the Commitment Update from Citizens' Contract Manager. Citizens may agree to additional Commitment Updates outside of Hurricane Season as confirmed by Citizens in writing and at Citizens' sole discretion.

At times, adjuster replacement may be required due to emergencies or performance. Please confirm Citizens may agree to committed adjuster roster replacements during cat and non-cat periods.

Answer: Yes, but the replacement adjuster must be submitted and approved in CAIS.

5. Attachment J, Section 3.2.1, page 4. Adjusting Service Area Descriptions. Please provide the current average handling time of Citizens Fast Track claims?

Answer: Citizens does not currently use the Fast Track model for handling claims.

6. Attachment J, Section 3.2.1.5, page 5. Adjusting Service Area Descriptions. The adjuster will be responsible for all aspects of preparing the Completed Package. This includes making first contact with the policyholder, reviewing applicable policy information, verifying any mortgage companies or additional interests, reviewing prior losses, writing the estimate pursuant to discussions with the policyholder, completing all file notes, and submitting the Completed Package back to Citizens. Citizens will be responsible for updating reserves, written communications to policyholders, and processing and issuing payments.

Are prior losses captured in Xactanalysis for review? If not, how are they accessible?

Answer: Prior losses will not be accessible to vendor. Citizens will handle the prior loss review upon receipt of the Completed Package. Please refer to solicitation change #4 above.

7. Attachment J, Section 3.2.3, page 6. Non-Catastrophe Adjusting Services. If agreed to by the Parties in writing, Vendor may provide Estimate Reconciliations or other Fast Track Adjusting Services as described herein for non-catastrophe Fast Track Claims. In such case, the Vendor's compensation payment for these Services will not exceed the rates set forth in Section 7.2., Compensation Schedule.

Will non-catastrophe fast track claim handling agreements follow the same award timeline as the catastrophe contract? If not, please provide details on services award.

Answer: Non-Catastrophe Fast Track Claim Services will not be awarded separately under this RFP. In the event that Citizens requires these services, the services may be performed pursuant to the Contracts awarded under this RFP. However, Citizens does not have a need for such non-catastrophe services at this time.

8. Attachment J, Section 3.4.1, page 7. Vendor Office Space. Sufficient to house one-hundred percent (100%) of Committed Adjusters in one, contiguous location. This includes any agreed upon increases to the Committed Adjuster Total as contemplated in Section 3.1.1.

Is there a percentage allowance for any of the adjusters to work remotely?

Answer: No.

9. RFP Section: Attachment I - Price Sheet. The Vendor's Average Proposed Price on both Part 1 and Part 2 sum the numbers and do not average the numbers we think this is an error in the spreadsheet.

Answer: Please see solicitation #3 above and Revised Attachment I.

10. RFP Section: Attachment I - Price Sheet. There are renewal years 1-5 listed. However the Draft Contract states it is a 5 year contract with 1 year renewals after. Please clarify that Renewal Year 1-5 would be year 6,7,8,9 and 10?

Answer: Yes, Renewal Years 1-5 are considered years 6-10 of a contract if the renewal options are exercised.

11. Attachment J, Section 9, Insurance, pages 22 and 23.

Will Citizens accept the below proposed red line edits for Section 9?

We have proposed a complete strike through on "and independent contactors' employees" in the first sentence of Section 9.1.1.

We have proposed complete strike through on "9.3 – Acceptable Deductible Amounts" and "9.5 - Loss History". The strike through on 9.3 is requested due to the cost associated with the compliance for a large public company. The strike through on 9.5 is due to being a publicly traded company.

If a strike through is not allowed on 9.3, would Citizens accept the below as language for this Section.

"9.3 Acceptable Deductible Amounts. Citizens shall be exempt from, and in no way liable for, any sum of money which may represent a deductible in any of these policies. The payment of deductibles shall be the sole responsibility of the Vendor."

We have proposed a revision to "9.10 Notice of Cancellation or Change"- to read as follow:

Notice of Cancellation or Change. To the extent practicable, the Commercial General Liability and Professional Liability policies shall require thirty (30) calendar days prior written notice to Vendor of cancellation, non-renewal or change in any coverage, except for ten (10) calendar days prior written notice for non-payment of premium. Vendor agrees to provide Citizens written notice of any such notification within 5 business days of receipt.

Answer: Yes, Citizens is agreeable to the requested edits to Sections 9.1.1 and 9.5. With respect to the other requested edits to Section 9, it is recognized that some publically traded companies, or other large corporations may have satisfactory risk protection without meeting every requirement within Section 9. Citizens will accept reasonable proposed red-lined edits in accordance with industry standards and subject to approval by Citizens.

12. RFP No. 18-0023 for Field Inspection Services, Section 1.1 Statement of Purpose Page 5. We have the below questions respective to the Statement of Work, specifically the language in the first paragraph of this Section, "Vendors providing the Services will be responsible for contacting policyholders and completing fully scoped and notated Xactimate Estimates (Completed Packages).

What supporting documents will be provided for preparation of the Completed Packages?

Answer: The Xactimate assignments provided to Vendor will include the relevant policyholder, mortgage company, and additional interest information. Adjusters will be able to access additional relevant documents through a Citizens web portal, including access to copies of the relevant policies and endorsements. With respect to policyholder submitted information, these are low severity claims and should not involve much documentation from the policyholder, if any. The goal is for the adjuster to close the claim over the phone and on first contact with the policyholder. However, in the event that the Policyholder submits photos or receipts, inventories or proposals they should be included in the completed package.

13. Will the policyholder be submitting pictures, contents inventory, contractor estimates, etc. via email or will the policyholder have access to a self-service application for upload of pictures, measurements, contents inventory, contractor estimates, etc?

Answer: See answer #12 above. In the event the policyholder submits documentation, it would be through email.

14. If the policyholder will not have access to a self-service application, is Citizens considering an RFP to engage for these types of services?

Answer: No, not at this time.

15. If the policyholder does not have access to email (due to infrastructure or other challenges) and/or is not comfortable using a self-service application, is Citizens considering the release of an RFP to engage for alternative resources (laypersons) for collection of pictures, measurements (using 3-D Smart Technology), measurements, contents inventory, etc.?

Answer: See answer #14 above.

16. Does this RFP have any interface with the RFP for Field Inspection Services?

Answer: No.

17. RFP No. 18-0023 for Field Inspection Services, Section 1.1 Statement of Purpose Paragraph five outlines that Citizens anticipates awarding a Contract to one or more Vendors with demonstrated experience in providing Fast Track Adjusting Services.

How many firms will Citizens be selecting?

Answer: Citizens does not have a specific number of anticipated vendors. The number of awarded vendors will be determined by the evaluators, and may depend on factors such as vendor capacity and how well the proposed services meet Citizens' needs.

18. RFP No. 18-0023 for Field Inspection Services, Section 3.7 Evaluation Process, Pricing Score, Deployment / Activation Fee. This Section provides detail on how Vendors Deployment / Activation Fee will be used to calculate scoring in the overall evaluation process. To better align on scoring, can Citizens provide any input with respect to guidelines for what should be included in the development of Deployment / Activation Fees.?

Answer: We left this open for the vendor; however, the intent is to provide adequate consideration for Vendor's start up fees and costs associated with preparing and maintaining the necessary Office Space and related resources.

19. Attachment J – Exhibit A, 2017 Best Claims Practices & Estimating Guidelines. There are items outlined or covered in Best Claims Practices & Estimating Guidelines that may or may not apply to Fast Track Adjusting, for example Inspection Scheduling, Written Communication, Reserves, Recorded Interview, Subrogation, Salvage, etc. Can clarification be provided on this, as activities that need to be completed must be factored into the Completed Package Fee?

Answer: As you mention, not all parts of the Best Claims Practices & Estimating Guidelines apply to Fast Track Adjusting Services. Per Section 3.2.1.5 of Attachment J, Vendor is not responsible for updating reserves, written communications to policyholders, or processing and issuing payments. Furthermore, Fast Track Claims Services are only intended for claims that are reasonably suited for investigation, scoping, estimation, and settlement over the phone without the need for physical inspection. The intent is for Adjusters to write an estimate (and submit a Completed Package) that is based on their over-the-phone

discussion with the policyholder. As appropriate, Citizens will provide information in the assignment for the exterior measurements of the building. If the Adjuster discovers circumstances that indicate that a claim does not meet the criteria for resolution in this manner, then Vendor should promptly return the assignment to Citizens for further handling. If there are issues that may merit additional action by Citizens, such as seeking a recorded interview, subrogation, or salvage, then this should be noted by the Adjuster in Xactimate. Additional information will be provided as part of Vendor and Adjuster training.

The goal for these Services is to close low severity claims over the phone and on first contact with the policyholder. For an average Fast Track Claim, Citizens does not anticipate that it will require more than thirty to forty-five minutes for an Adjuster to make first contact with the policyholder, discuss the claim, and prepare a Completed Package for review by Vendor's quality assurance team.

Please also refer to response # 22 below.

- 20.** Attachment J, page 4. Section 3.1.7. Is Vendor responsible for any expense related to using the CPIC **XactAnalysis** platform used to assign claims and communicate claim information?

Answer: To clarify, XactAnalysis is the platform Citizens will use to assign claims and communicate claim information to and from Fast Track Vendors. The Fast Track Vendors will be responsible for the expenses related to obtaining and maintaining a license to use the XactAnalysis platform.

- 21.** Attachment J, page 4. Section 3.2.1.1 For contents 'Statement of Loss', depreciation and RCV, are the Vendor's Fast Track adjusters required to use the XactContents module of the Xactimate suite?

Answer: Yes if contents are part of the loss.

- 22.** Attachment J, page 5. Severity Level 2 includes internal damage up to three (3) rooms. Is the Fast Track adjuster expected to accept the cause of loss stated by the insured? i.e. How is wind driven rain vs. storm created opening determined without inspection?

Answer: Yes, this will involve reliance on the policyholder's statements. The intent is to try to close low severity claims over the phone and on first contact with the policyholder. Citizens will not send an assignment to Vendor unless the claim is believed to be suited for investigation, scoping, estimation, and settlement over the phone without the need for physical inspections. In some cases, an Adjuster may discover circumstances that indicate that a claim does not meet those criteria. In that event, Vendor must promptly return the assignment to Citizens for further handling. Refer to Section 3.2.1.5 of Attachment J. Thus, if cause of loss cannot be determined without inspection, then the claim will need to be referred back to Citizens for further handling.

To assist in the process, Citizens will provide Vendors detailed information related to wind speed and path of the storm prior to the vendor receiving claims in a catastrophe event.

Please also refer to response # 19 above.

- 23.** Attachment J, page 6. Is there a time limit that a request for Estimate Reconciliation must be made or is the Vendor required to work "supplements" indefinitely?

Answer: No, Citizens does not expect for Vendors to perform Estimate Reconciliations "indefinitely". However, the timeline for Estimate Reconciliations may vary depending on the nature of the storm and the capacity of other units at Citizens to handle estimate reconciliation. Citizens does not anticipate that this timeline will extend for more than 3-12 months depending on the storm.

- 24.** Attachment J, page 6. If the Estimate Reconciliation requires an on-site inspection (i.e. insured

underreported damage) is the Vendor still responsible to correct estimate with no additional charge for uncontrollable omissions?

Answer: No, the claim will be transferred from Vendor for further handling if an onsite inspection is necessary. Per Section 3.2.1.5 of Attachment J, Vendors are expected to promptly notify Citizens if the Adjuster discovers circumstances that indicate that a claim does not meet the criteria of a Fast Track Claim (including if an on-site inspection is required).

25. Attachment J, page 14. Service Level Standards - Has this SLS (8 completed claims per day) been used in the past and if so, can CPIC provide information as to the overall percentage of Fast Track adjusters that consistently met this standard?

Answer: We have not used this model in the past; however, after a thorough review of low severity Hurricane Irma claims, we feel this number is attainable with properly trained staff

26. Attachment J, page 15. Prohibitions -If aerial measurements are needed (i.e. siding replacement) to quantify a material amount, and the request is made in writing, is it normally approved, and if so, under what historical timeframe does this happen??

Answer: Citizens currently has the ability to order roof and property reports. Citizens will make a determination regarding their usage prior to deployment, and will communicate this decision to vendors. In the event that such reports are used for a Fast Track Services deployment, these reports are typically available to the adjuster at the time of assignment; however, there could be some lag time.

Please also refer to response # 19 above.

27. Attachment H - Section A the following;
Please provide an overview of your firm's relevant qualification and experience in providing Fast track Adjusting Services as described in this RFP.

(e.) Organizational structure and roles and responsibilities of applicable staff engaged in claims management, and how these roles will support Citizens' business operations

(f.) Do you use subcontractors to provide these Services? If so, who and how are they utilized?

Question: Could we get some clarification on this? Are we needing to describe that we use Senior IA Adjusters /EGA's to assist in management roles?

Answer: We need to understand your management and oversight structure and how the adjusters will be trained and managed in a catastrophe response.

**FAILURE TO FILE A PROTEST WITHIN THE TIME PRESCRIBED IN SECTION 627.351 (6)(e), F.S.,
CONSTITUTES A WAIVER OF PROCEEDINGS.**