

Executive Summary

Board of Governors Meeting, July 14, 2021

Legal Services Agreement with Meenan P.A.

Citizens is requesting approval of a previously executed Legal Services Agreement with Meenan P.A. Meenan P.A. provides legal services on numerous administrative litigation matters. Board approval is requested as current spend is approaching \$100,00 and may exceed it in the future. Approval is also requested for a new contract with Meenan P.A. for continued representation in these administrative litigation matters, should the matters continue after expiration of the current contract on October 3, 2021.

History

Citizens is involved in specific and unique corporate litigation (non-claims related) from time to time. We use outside counsel that are matched with their specific backgrounds and expertise and the issues presented in the corporate litigation.

Citizens selects law firms under two methods. We have procured counsel in the past by specific subject matter areas via competitive solicitations. Additionally, the Florida Statutes provide a statutory exemption from competitive solicitation under s. 287.057 (3) (e) and s. 627.351 (6), F.S. for legal services.

Citizens executed this legal services contract with Meenan P.A. in October 2018. The contract was procured pursuant to the statutory exemption from competitive solicitations for legal services contracts. The contract includes a two (2) year base term and a one (1) year renewal term. The renewal term expires on October 3, 2021.

This contract includes representation on numerous administrative matters before the Office of Insurance Regulation (OIR) pertaining to the application of wind mitigation credits to and calculation of premiums for commercial residential wind-only (CRW) risks. The period during which the credits and premium calculations are in question is from 2003 to 2011. After discussions with the law firm representing the CRW risks failed to render an agreement, that law firm submitted three complaints to the OIR in 2019 pursuant to Section 627.371, F.S. In November 2019, the OIR issued a "Finding of Good Cause and Notice of Non-Compliance" to Citizens based on its review of the complaint that had been filed on behalf of Compass Point Condominium Association (Compass Point). Thereafter, Citizens filed a Petition for Administrative Hearing (Petition). In August 2020, OIR and Citizens entered a Consent Order whereby the OIR dismissed the Notice of Non-Compliance and Citizens dismissed its Petition. However, that Consent Order is now being appealed by Compass Point. The law firm representing the CRW risks (including Compass Point) has indicated that it intends to file over 130 similar complaints with the OIR.

Citizens selected Meenan P.A. after interviewing and discussing the legal issues with the Meenan legal team. The extent and duration of the matters were not known at the time of contracting. Since all Citizens contracts that are expected to reach the \$100,000 level require Board approval, it is now necessary that the Board approve the contract as spend is approaching \$100,00 and may exceed it in the future. Corporate legal services are budgeted annually, and these legal expenses will be absorbed within the Corporate legal outside law firm budget.

Executive Summary

Board of Governors Meeting, July 14, 2021

Approval is also requested for a new contract with Meenan P.A. for continued representation in these administrative litigation matters, if needed after expiration of the current contract on October 3, 2021. This approval is requested given Meenan P.A.'s familiarity with these matters, should the matters continue beyond October 2021. This approval is requested for a total spend not to exceed \$250,000 across the current expiring contract and the new proposed contract.

Recommendation

Staff proposes that the Board of Governors:

- a) Approve the current Legal Services Agreement with the Meenan P.A. for an amount not to exceed \$250,000, as set forth in this Action Item; and
- b) Authorize staff to enter into a new Legal Services Agreement with Meenan P.A. for continued representation in the litigation matters for which Meenan P.A. was engaged, if needed after expiration of the current contract on October 3, 2021, for an amount not to exceed \$250,000 across the current expiring contract and this proposed new contract; and
- c) Authorize staff to take any appropriate or necessary action consistent with this Action Item.

ACTION ITEM **New Contract** **Contract Amendment** **Other** ___ **Existing Contract** _____ **CONSENT ITEM** **Contract Amendment** **Existing Contract Extension** **Existing Contract Additional Spend** **Previous Board Approval** _____ **Other** _____

Action Items: Items requiring detailed explanation to the Board. When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

Move forward as Consent: This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

Consent Items: Items not requiring detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

Item Description	Legal Services Agreement with Meenan P.A.
<p>Purpose/Scope</p>	<p>Purpose: This Action Item seeks Board approval for a current contract for legal services with Meenan P.A. This Action Item also requests approval for a new contract with Meenan P.A., if needed, for continued representation in the litigation matters for which Meenan P.A. was engaged. Approval is requested for a total spend not to exceed \$250,000 across the current expiring contract and this proposed new contract.</p> <p>Scope: Corporate Legal Services has entered into a contract with Meenan P.A. to represent Citizens in corporate legal litigation matters. This contract was executed in October 2018 for numerous administrative litigation matters related to the application of wind mitigation credits to and calculation of premiums for commercial residential wind-only (CRW) risks. The policies at issue date back from 2003 to 2011. The cost of legal services under this contract has not exceeded \$100,000 over the life of the contract, but it is approaching \$100,00 and may exceed it in the future. The contract expires on October 3, 2021. A new contract with Meenan P.A. may be needed for continued representation in these matters after the October 2021 expiration date of the current contract.</p>
<p>Contract ID</p>	<p>Legal Services Agreement Contract Number, 18-18-5011-00 Meenan P.A.</p>

Budgeted Item	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No These costs for 2021 are included in the 2021 budget.
Procurement Method	This law firm has been selected to provide consultative legal services to complete necessary and ongoing corporate legal litigation representation and for this reason the statutory exemption from competitive solicitation under s. 287.057 (3) (e) and s. 627.351 (6), F. S. was utilized.
Contract Amount	Not to exceed \$250,000.
Contract Terms	The contract includes a two (2) year base term and a one (1) year renewal term. The contract is currently in the renewal term and expires October 3, 2021.
Board Recommendation	Staff proposes that the Board of Governors: <ul style="list-style-type: none"> a) Approve the current Legal Services Agreement with Meenan P.A. for an amount not to exceed \$250,000, as set forth in this Action Item; b) Authorize staff to enter into a new Legal Services Agreement with Meenan P.A. for continued representation in the litigation matters for which Meenan P.A. was engaged, if needed after expiration of the current contract on October 3, 2021, for an amount not to exceed \$250,000 across the current expiring contract and this proposed new contract; and, c) Authorize staff to take any appropriate or necessary action consistent with this Action Item;
Contacts	Tim Cerio, General Counsel and Chief Legal Officer Vendor Contact: Tim Meenan, Meenan P.A.