

# Executive Summary

Claims Committee Meeting, September 9, 2021

Board of Governors Meeting, September 22, 2021

## Geospatial Insurance Consortium Program Membership, SS 21-2003

### Topic

This Action Item seeks approval to contract with the National Insurance Crime Bureau (NICB) for membership to their Geospatial Insurance Consortium (GIC) Program for a three (3) year term.

### History

Citizens has been a member of the National Insurance Crime Bureau (NICB) since the late 2000's. This organization is a non-profit fraud prevention consortium that aggregates and disseminates intelligence across its members to help prevent, detect, and deter insurance fraud. The NICB also supports Citizens' fraud fighting efforts by providing anti-fraud educational materials and investigative support.

The NICB's Geospatial Intelligence Consortium (GIC) provides high resolution aerial imagery that assists in assessing and responding to damages caused by catastrophic events. The NICB first made this data available to Citizens and other NICB members in 2017, when it was provided on a temporary basis for Hurricane Irma. Beginning with Hurricane Irma, and subsequently Michael, this post event imagery has proved beneficial in helping Citizens to expedite claims payments to impacted policyholders. This is due to the quick availability of clear, post-event imagery that reflects losses before individuals may have even been allowed in an area. Additionally, the date stamped images have been valuable to Citizens' Special Investigations Unit in the detection and investigation of fraud, especially those suspect claims that are reported months and even years after a storm event.

Citizens first upgraded to GIC membership in 2019 after it became necessary for continued access to GIC imagery, both past and future. The membership provides archival access to imagery from Hurricane Irma and Hurricane Michael, which is particularly important given the lengthy statute of limitation period for insurance claims. The membership also includes access to future pre and post event imagery and provides an opportunity to influence the timing and focus of aerial imagery collection. The current GIC membership was procured through Single Source 19-2001 in March 2019 for a thirty-three (33) month term. The Action Item was approved at the March 19, 2019, Claims Committee and subsequent March 27, 2019, Board of Governors meeting for an amount not to exceed \$912,732.95. The GIC membership expires on December 31, 2021.

This Action Item is requesting approval to contract for GIC membership for an additional three (3) year term. This three (3) year term was procured pursuant to Single Source 21-2003, which was publicly posted on July 21, 2021. An opportunity for vendor inquiry and protest was provided in accordance with Citizens' Purchasing Policy and s. 287.057, Florida Statutes.

Citizens' cost for GIC membership has increased by approximately seven percent (7%) from the prior term. This stems from an increase in Citizens' reported Direct Earned Premium, on which the required contribution is based. When pursuing the agreement in 2019, our cost was based on 2017 reported premiums of \$923,851,709. The 2022 agreement is based on 2020 reported premiums of \$996,996,121.

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## Recommendation

The recommendation is listed in the attached Action Item.

**ACTION ITEM**

**New Contract**

**Contract Amendment**

**Other** \_\_\_\_\_

**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.

<b>Item Description</b>	<b>Geospatial Insurance Consortium (GIC) Program Membership SS 21-2003</b>
<b>Purpose/Scope</b>	<p>Citizens is seeking approval to contract with the National Insurance Crime Bureau (NICB) for membership in their Geospatial Insurance Consortium (GIC) Program for a three (3) year term. The GIC collects and disseminates high resolution aerial imagery that assists in assessing and responding to damages caused by catastrophic events. It is part of the NICB, which is a non-profit fraud prevention consortium that aggregates and disseminates data across its members to help prevent, detect, and deter insurance fraud.</p> <p>The requested GIC membership provides Citizens access to pre and post event aerial imagery moving forward. This imagery data aids Citizens in identifying the areas hardest hit by a catastrophe for purposes of deploying emergency operations centers, contacting impacted policyholders, and time-stamping damage to properties to prevent fraud. The GIC's high priority users, such as emergency personnel, first responders and law enforcement, provides the GIC enhanced access to impacted areas to capture catastrophic event imagery without delay. Additionally, GIC membership provides an opportunity to influence the timing and focus of the GIC's aerial imagery collection. GIC membership also provides access to archival GIC imagery. Archival access is particularly important for imagery from Hurricanes Irma and Michael, given the statute of limitation period for insurance claims. Access is only available to GIC members.</p> <p>Citizens first upgraded to GIC membership in April 2019. The membership expires on December 31, 2021. It was approved by the Board on March 27, 2019, for an amount not to exceed \$912,732.95.</p> <p>The requested GIC membership provides a direct contribution to the GIC for the costs of that program, which is shared across all GIC member insurers. This funding supports the GIC and its mission which, by making post-loss imagery</p>

	available online, serves an important public interest not only to catastrophe response organizations, but also to those individuals and families directly impacted by catastrophe events.
<b>Contract ID</b>	<b>Geospatial Insurance Consortium (GIC) Program Membership</b> <b>SS 21-2003</b> Recommended Vendor: National Insurance Crime Bureau (NICB)
<b>Budgeted Item</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Yes. Funding for this contract is paid for on a quarterly basis as an operational expense.
<b>Procurement Method</b>	Single Source 21-2003 was publicly posted on July 21, 2021. An opportunity for vendor inquiry and protest was provided in accordance with Citizens' Purchasing Policy and s. 287.057, Florida Statutes.
<b>Contract Amount</b>	The estimated contract amount is \$1,062,330 for the recommended three (3) year term of the contract.
<b>Contract Terms</b>	The contract term is three (3) years, beginning January 1, 2022 and ending December 31, 2024.
<b>Committee Recommendation</b>	Staff proposes that the Claims Committee review, and if approved recommend the Board of Governors:  a) Authorize the Geospatial Insurance Consortium (GIC) Program Membership agreement with the National Insurance Crime Bureau for a term of three (3) years, for an amount not to exceed \$1,062,330.00, as set forth in this Action Item; and  b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.
<b>Board Recommendation from Committee</b>	If approved at its September 9, 2021 meeting, the Claims Committee recommends that the Board of Governors:  a) Authorize the Geospatial Insurance Consortium (GIC) Program Membership agreement with the National Insurance Crime Bureau for a term of three (3) years, for an amount not to exceed \$1,062,330.00, 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>	Jay Adams, Chief Claims Officer