

# Executive Summary

Claims Committee Meeting, December 2, 2021

Board of Governors Meeting, December 15, 2021

## Litigated Claims Update

### CLAIMS LITIGATION – 2021 YEAR TO DATE (January 1, 2021 – September 30, 2021)

#### Overview of Incoming Lawsuits and Pending Volume:

From January 2021 through September 2021, Citizens was served with 7,899 lawsuits (7,798 Residential Property, 49 Commercial Property and 52 Liability) – averaging 878 new lawsuits per month. This reflects a 45% increase in the number of new incoming suits per month as compared to this same time period last year (2020 average for January through September – 605).

#### Breakdown of 2021 YTD New Lawsuits:

First Party Residential Property – 7,798 Total (99% of Overall Total)

- Residential CAT	4,059	52%
- Residential Non-CAT	3,737	48%
- Residential Sinkhole	2	0%

First Party Commercial Property – 49 Total (<1% of Overall Total)

- Commercial CAT	47	96%
- Commercial Non-CAT	2	4%
- Commercial Sinkhole	0	0%

Third Party Liability – 52 Total (<1% of Overall Total)

As of September 30, 2021, current pending volume totaled 16,240 lawsuits (15,936 Residential Property, 202 Commercial Property and 102 Liability). This reflects a 34% increase in pending as compared to this same time last year (12,111 pending matters).

#### Breakdown of 2021 YTD Pending Lawsuit Volume:

First Party Residential Property – 15,936 Total (98% of Overall Total)

- Residential CAT	8,245	52%
- Residential Non-CAT	7,600	48%
- Residential Sinkhole	91	<1%

First Party Commercial Property – 202 Total (1% of Overall Total)

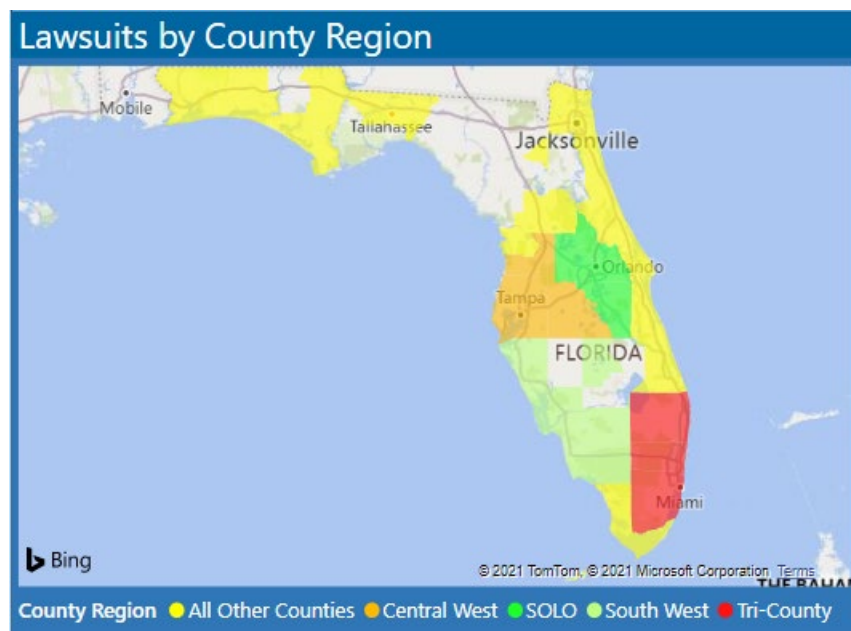
- Commercial CAT	190	94%
- Commercial Non-CAT	8	4%
- Commercial Sinkhole	4	2%

Third Party Liability – 102 Total (<1% of Overall Total)

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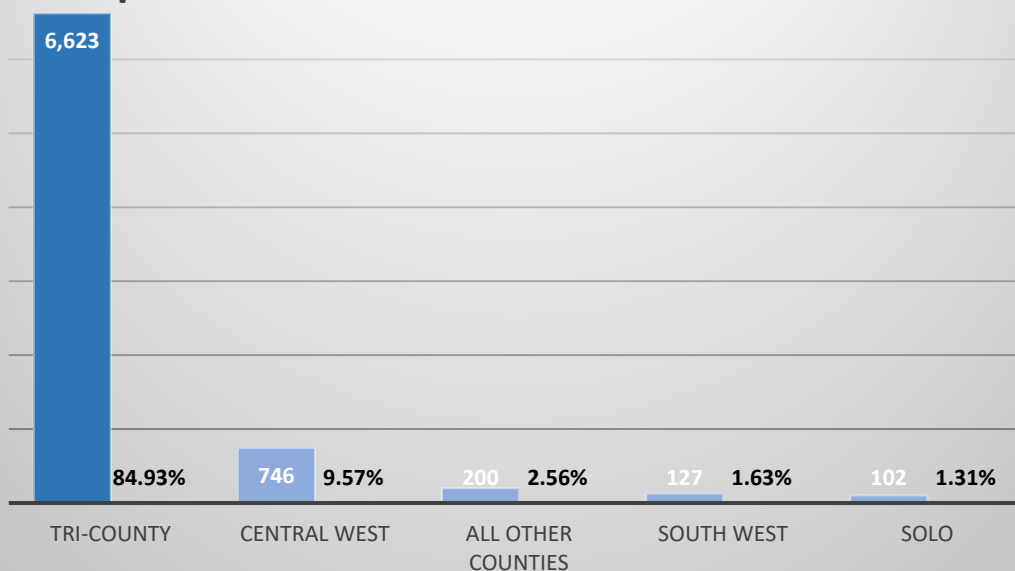
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85% of the incoming residential property lawsuits arise out of the Tri-County area. This is a 3% decrease compared to 2020.



Region where Served	Lawsuits	% Grand Total
Tri-County	6623	84.93%
Central West	746	9.57%
All Other Counties	200	2.56%
South West	127	1.63%
SOLO	102	1.31%
<b>Total</b>	<b>7798</b>	<b>100.00%</b>

## 1st Party Residential New Lawsuits by County Region Jan - Sep 2021

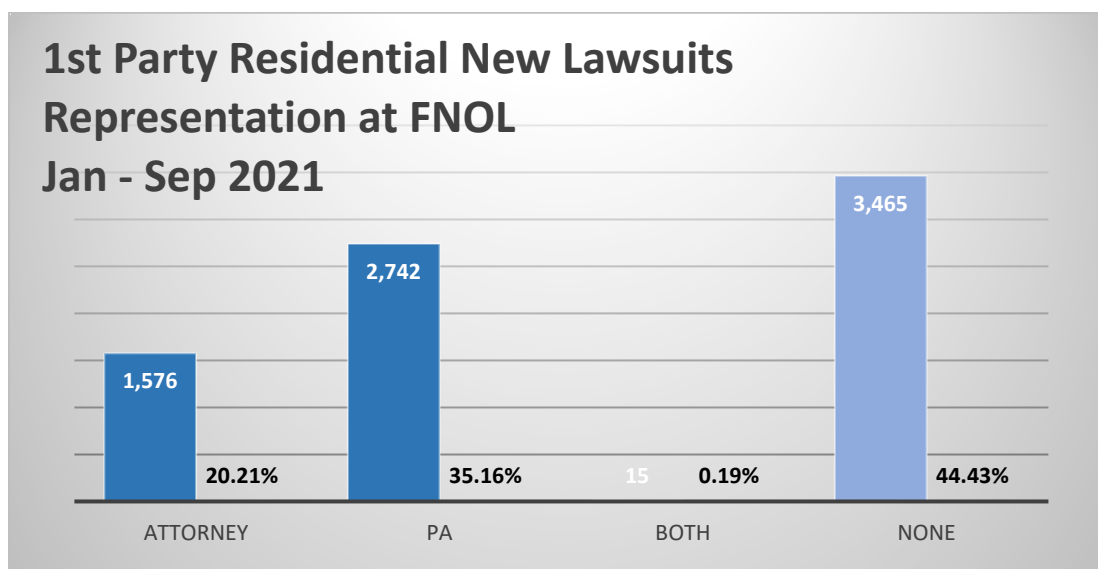


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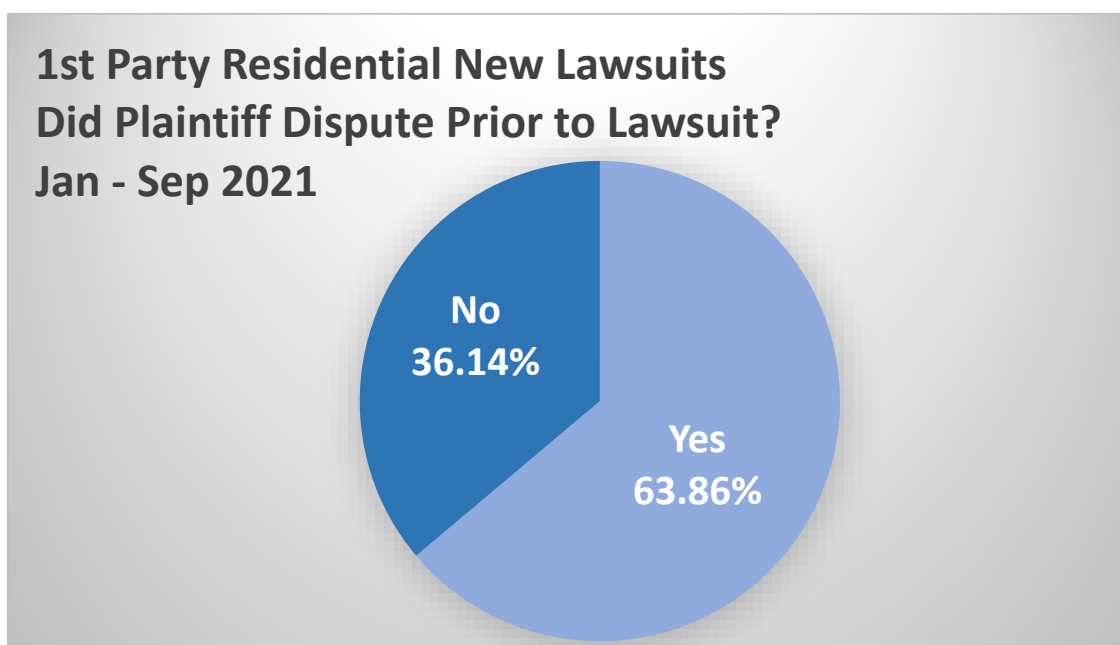
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The plaintiff was represented at First Notice of Loss in 56% of incoming residential property lawsuits, a slight decrease from 59% as compared to 2020:

- Attorney 20%
- Public Adjuster 35%
- Both Attorney & PA <1%



In 36% of the incoming residential property lawsuits the insured did not dispute Citizens' position or adjustment of the claim prior to filing suit which has decreased from 45% in 2020.



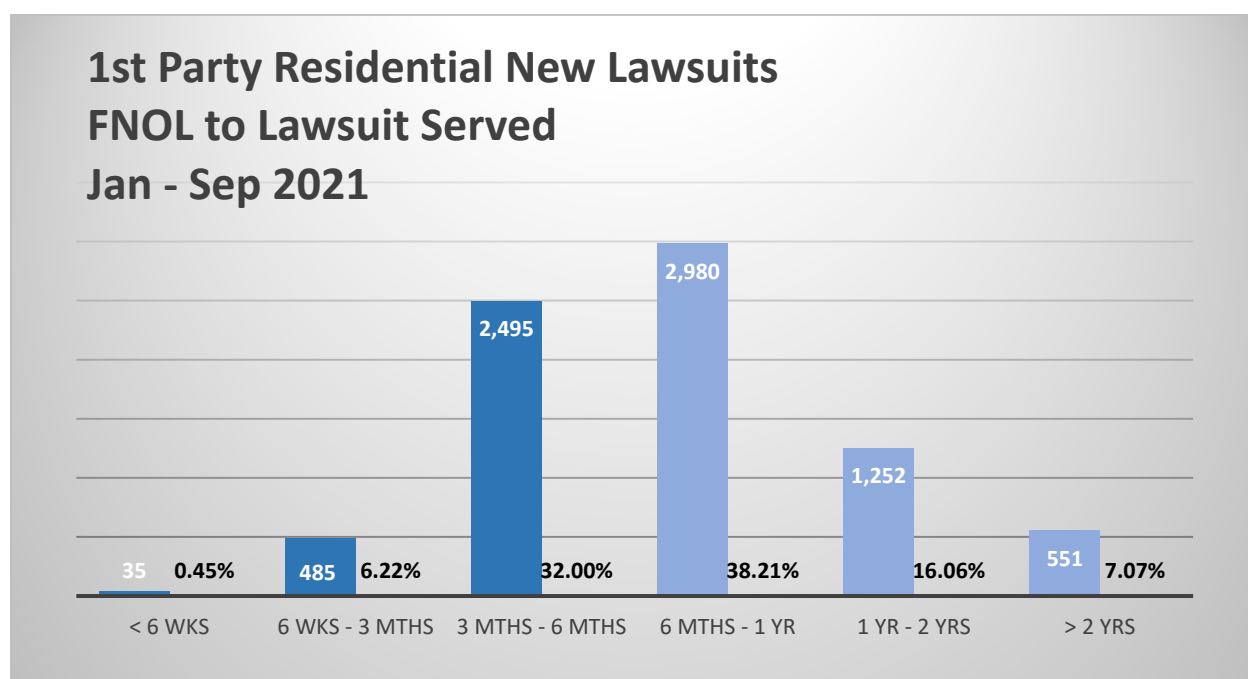
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A review of the timing of incoming lawsuits reveals that 39% of lawsuits are brought within 6 months of the First Notice of Loss (FNOL). There is no change in this parameter compared to 2020.

- Within 6 weeks of FNOL <1%
- Within 3 months of FNOL 6%
- Within 6 months of FNOL 32%
- Within 1 year of FNOL 38%
- Within 2 years of FNOL 16%
- 2 or more years from FNOL 7%



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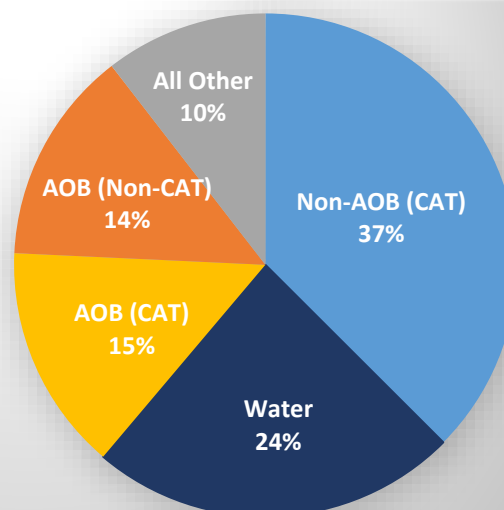
## CAT, AOB and Water Loss:

CAT Lawsuits represent 52% of both new incoming and pending lawsuits from January 2021 through September 2021 and continues to be the leading cause of loss in both new and pending lawsuits.

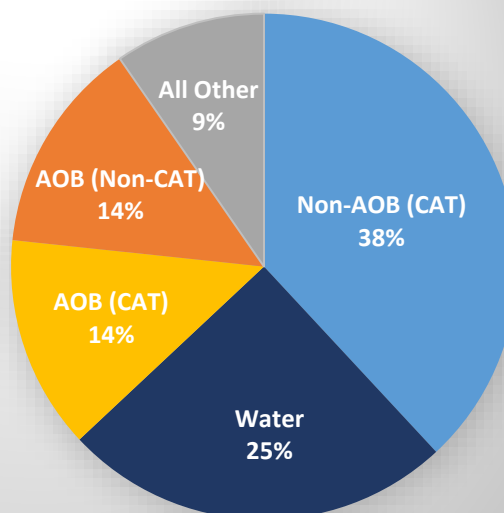
AOB Lawsuits represent 28% of both new incoming and pending lawsuits which remains consistent compared to the same time period in 2020.

Non-Weather Water Lawsuits represent 24% of all new incoming, a 5% decrease since 2020 and 25% of all pending, a 3% decrease since 2020.

### 1st Party Residential New Lawsuits CAT, AOB & Water Loss Jan - Sep 2021



### 1st Party Residential Pending Lawsuits CAT, AOB & Water Loss As of Sep 30, 2021



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## CONCLUSION

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Citizens continues to experience a significant increase in new, incoming lawsuits as compared to 2020. CAT losses remain the leading cause of loss for both new incoming and pending lawsuits as has been the trend consistently throughout 2020 and continuing in 2021.

AOB lawsuits remain consistent with both new incoming and pending volume since 2020.

Water loss lawsuits continue on a downward trend in 2021 with an 5% decrease in new, incoming lawsuits in 2021 as compared to 2020, and a 3% decrease in pending volume as compared to 2020.

While the Tri-County area continues to lead the state in lawsuit volume, we continue to experience an increasing trend of new, incoming lawsuits arising out of the Central West (Tampa area) region and other areas of the state.

At this time it is too early to realize the impact of SB76 on litigation.