

Executive Summary

Claims Committee Meeting, November 17, 2022

Board of Governors Meeting, December 7, 2022

Commercial Adjusting Services

Topic

This Action Item seeks approval to contract with four (4) vendors to provide desk and field adjuster resources for commercial daily and catastrophe claims. The four (4) vendors are Pilot Catastrophe Services, Inc., Bradley Stinson and Associates, Inc., FKS Insurance Services, LLC, and Crawford & Company.

Approval is requested for a three (3) year initial term with two (2) one-year optional renewal terms, not to exceed forty million (\$40 million) across the base and renewal terms.

History

As of September 30, 2022, Citizens' commercial policy count is 6,095. These policies provide coverage for 15,820 structures, which contain over 141,701 separate units, with a total insured value of over \$24 billion.

Citizens is currently contracted with four (4) vendors for commercial adjusting services. These existing contracts were competitively procured under RFP 15-0018 for Commercial Adjusting Services, with contracts effective October 23, 2015. The contracts are set to expire on April 22, 2023 after expiration of a four (4) year base term, three (3) one-year renewal options, and a six-month extension.

The contracts proposed under this Action Item were procured pursuant to Request for Proposals No. 22-0016 for Commercial Adjusting Services, in recognition of the upcoming expiration of the existing contracts. Citizens issued the RFP on August 16, 2022, seeking firms capable of providing qualified commercial adjusting resources to adjust commercial risks. Commercial adjusting is a specialized area of adjusting, as commercial risks often encompass several stories and/or several buildings. Citizens received thirty-four (34) proposals with all vendors meeting the minimum requirements. The proposals were independently scored by members of an evaluation committee, who met and recommended contract awards to the top four (4) ranked vendors in a public meeting, on November 3, 2022.

Recommendation

The recommendation is listed in the attached Action Item.

Commercial Adjusting Services

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.

<p>Item Description</p>	<p>Commercial Adjusting Services RFP 22-0016</p>
<p>Purpose/Scope</p>	<p>This Action Item seeks approval to contract with four (4) vendors to provide desk and field adjuster resources for commercial daily and catastrophe claims. The four (4) vendors are Pilot Catastrophe Services, Inc., Bradley Stinson and Associates, Inc., FKS Insurance Services, LLC, and Crawford & Company.</p> <p>Approval is requested for a three (3) year initial term with two (2) one-year optional renewal terms, not to exceed forty million dollars (\$40 million) across the base and renewal terms.</p>
<p>Contract ID</p>	<p>Commercial Adjusting Services RFP 22-0016 Vendors: Pilot Catastrophe Services, Inc., Bradley Stinson and Associates, Inc., FKS Insurance Services, LLC, and Crawford & Company</p>
<p>Budgeted Item</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Funding for this contract will be paid as a Loss Adjusting Expense (LAE).</p>

Commercial Adjusting Services

Procurement Method	On August 16, 2022, Citizens issued Request for Proposals (RFP) 22-0016 for Commercial Adjusting Services. Thirty-four (34) proposals were timely submitted and independently scored by members of an Evaluation Committee, who recommended to award to the top four (4) ranked vendors on November 3, 2022.
Contract Amount	Not to exceed forty million (\$40 million) across the base and renewal terms. This contract spend is based upon a three (3) year initial term of \$24 million, and \$8 million for each of the two (2) one-year optional renewal terms.
Contract Terms	The contracts have a three (3) year initial base term, with two (2) one-year optional renewal terms.
Committee Recommendation	Staff proposes that the Claims Committee review, and if approved recommend the Board of Governors: a) Authorize Commercial Adjusting Services contracts with the four (4) vendors specified in this Action Item, for an initial term of four (4) years, with two (2) one-year renewal options, for an amount not to exceed forty million (\$40 million), as set forth in this Action Item; and b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.
Board Recommendation from Committee	If approved at its November 17, 2022 meeting, the Claims Committee recommends that the Board of Governors: a) Authorize Commercial Adjusting Services contracts with the four (4) vendors specified in this Action Item, for an initial term of four (4) years, with two (2) one-year renewal options, for an amount not to exceed forty million (\$40 million), as set forth in this Action Item; and b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.
Contacts	Jay Adams, Chief Claims Officer