

Executive Summary

Actuarial and Underwriting Committee Meeting, December 3, 2024

Board of Governors Meeting, December 4, 2024

Loss History Reporting Services (Underwriting)

Topic

This Action Item requests approval to contract with LexisNexis Risk Solutions, Inc (“LexisNexis”), for loss history reports. This information is used to assess insurance risk and ensure properties meet underwriting requirements. Approval is requested for a five (5) year base term with three (3) one-year optional renewal terms, for an amount not to exceed \$2,787,840.

History

Citizens underwriters use loss history information to accurately underwrite Citizens policies. The loss history information provided under this contract includes date of loss, cause of loss, amounts paid and catastrophe indicator for prior risk claim history. This information is important to properly assess risk and help ensure that properties meet underwriting requirements.

Following a competitive solicitation, LexisNexis was selected to replace Insurance Services Office, whose contract is expiring in August 2025. The new contract with LexisNexis will provide enhancements over current state, including ad-hoc reporting, FCRA-governed dispute resolution, and artificial intelligence. Under this contract, Citizens will pay only for the reports ordered. The per report price is significantly lower than both the expiring contract and the next best vendor in the competitive solicitation. LexisNexis will also provide implementation, training, and ongoing support at no additional cost.

Recommendation

The recommendation is listed in the attached Action Item.

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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.

Purpose/Scope	This Action Item seeks approval to contract with LexisNexis Risk Solutions, Inc. ("LexisNexis"), for loss history reports. Citizens underwriters use loss history information to accurately underwrite Citizens policies. The loss history information provided under this contract includes date of loss, cause of loss, amounts paid, and catastrophe indicator for prior risk claim history.
Contract ID	Loss History Reporting Services RFP 24-0008 LexisNexis Risk Solutions, Inc
Budgeted Item	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The estimated cost for this contract is a budgeted expense and will be included in future annual operating budgets.
Procurement Method	On June 11, 2024, Citizens issued Request for Proposal (RFP) 24-0008 for Loss History Reporting Services. Two responses were timely submitted and scored by members of an Evaluation Committee. On August 13, 2024, the Evaluation Committee met in a public meeting and voted to award LexisNexis Risk Solutions, Inc.
Contract Amount	Not to exceed \$2,787,840 across the five (5) year base term, and three (3) one (1) year optional renewal terms.

Loss History Reporting Services (Underwriting)

Contract Terms	Five (5) year base term, and three (3) one (1) year optional renewal terms.
Committee Recommendation	<p>Staff proposes that the Actuarial and Underwriting Committee review, and if approved, recommend the Board of Governors:</p> <ul style="list-style-type: none">a) Authorize the Loss History Reporting Services contract with LexisNexis Risk Solutions, Inc., for an initial base term of five (5) years, with three (3) one (1) year optional renewal terms, for an amount not to exceed \$2,787,840, as set forth in the Action Item, andb) Authorize staff to take any appropriate or necessary action consistent with this Action Item.
Board Recommendation from Committee	<p>If approved at its December 3, 2024, meeting, the Actuarial and Underwriting Committee recommends that the Board of Governors:</p> <ul style="list-style-type: none">a) Authorize the Loss History Reporting Services contract with LexisNexis Risk Solutions, Inc., for an initial base term of five (5) years, with three (3) one (1) year optional renewal terms, for an amount not to exceed \$2,787,840, as set forth in the Action Item, andb) Authorize staff to take any appropriate or necessary action consistent with this Action Item.
Contacts	Jay Adams, Chief Insurance Officer