

Executive Summary

Claims Committee Meeting, September 12, 2024

Board of Governors Meeting, September 25, 2024

Geospatial Imagery and Damage Assessment Reports

Topic

This Action Item seeks approval to contract with Vexcel Imaging US (“Vexcel”) to provide unlimited aerial imagery and unlimited Damage Assessment Reports for claims and catastrophe operations. Approval is requested for a 36-month term that will carry Citizens through the 2025, 2026 and 2027 calendar years, expiring December 31, 2027, for an amount not to exceed \$4,238,502.

History

Vexcel provides high resolution aerial imagery to assist in assessing and responding to damage claims caused by weather and catastrophic events. The National Insurance Crime Bureau (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 Ian, this post event imagery has proved valuable in helping Citizens to expedite claims payments to impacted policyholders. This is due to the quick availability of clear, post-event imagery that manifests losses before individuals may have even been allowed back into an area. Additionally, the date stamped images have proved valuable to Citizens’ Special Investigations Unit in the detection and investigation of fraud, especially with those suspect claims that are reported months and even years after a storm event.

Citizens is operating under two separate agreements with the Vexcel for imagery and Damage Assessment Reports. Both agreements end December 31, 2024. The one for imagery was approved by the Board in September 2021 for an amount not to exceed \$1,062,330. This agreement allows Citizens to access multiple services, including pre and post disaster aerial imagery, and comprehensive histories from the NICB. These services and products support catastrophe operations and provide advanced tools for the automation of Citizens’ analysis for claims, underwriting, and investigations. The contract was procured in July 2021.

The second agreement with Vexcel provides Citizens with access to a limited number of Damage Assessment Reports as requested for future claims events through December 31, 2024. Damage Assessment Reports compare and analyze pre and post event imagery for structures within a natural disaster impact zone to provide an overall CAT score, approximate FEMA classification including roof details, such as roof condition, missing material and tarp placements. This allows Citizens to pull automated reports on properties and proactively begin adjusting from the desk, even if a claim has not yet been filed. This immediate analysis provides proactive support to our insureds by allowing us to initiate calls to our policyholders and communicate our awareness of damage to them, as well as expedite claims payments in instances where the imagery and report alone allow us to make coverage determinations. Damage assessment reports are available for purchase at \$6 per report. The contract was procured in June 2023 under Single Source 23-2002, in accordance with s.287.057(3)(c), Florida Statutes.

In response to Hurricane Ian, Citizens also contracted for Damage Assessment Reports on an emergency short term basis, as authorized by Executive Order 22-219 signed by the Governor of the State of Florida on September 24, 2022. The Board approved spend for that contract on December 7,

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2022 in an amount not to exceed \$720,000, exclusively for the Hurricane Ian response. This contract has now expired. However, the value of the Damage Assessment Reports was established. Citizens needs to continue using these analytical reports for ongoing claims operations.

The requested new contract will replace the two expiring contracts at the end of the year. The new contract will provide Citizens access to unlimited Damage Assessment Reports, in addition to the pre and post event imagery available under a single, three-year agreement for a fixed annual amount of \$1,412,834. The increased cost for the proposed Vexcel aerial imagery contract is due to Citizens' current direct written premium along with the availability of unlimited damage assessment reports where currently they are \$6 per report. Citizens will now have the ability to begin anticipating and proactively processing potential claims prior to a declared emergency. This three (3) year term was procured pursuant to Single Source 24-2001, which was publicly posted on May 16, 2024. The intent to award was posted on June 7, 2024, with the protest period expiring on June 10, 2024. The process under Florida statute section 287.057(3)(c), was followed to verify that Vexcel remains the only available provider of these services.

Recommendation

The recommendation is listed in the attached Action Item.

Geospatial Imagery and Damage Assessment Reports

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.

Item Description	Geospatial Imagery and Damage Assessment Reports
<p>Purpose/Scope</p>	<p>This Action Item seeks approval to contract with Vexcel Imaging US to provide unlimited aerial imagery and damage assessment reports for claims and catastrophe operations.</p> <p>The requested three-year contract will provide Citizens access to unlimited damage assessment reports, in addition to the pre and post event imagery. Damage assessment reports compare and analyze pre and post event imagery to provide an overall CAT score, approximate FEMA classification and roof details, including roof condition, missing material and tarp coverage, for structures within a natural disaster impact zone. This allows Citizens to pull automated reports on properties to proactively begin adjusting from the desk, even if a claim has not yet been filed. This ability provides immediate support to our insureds by allowing us to initiate calls to communicate our awareness of damage to policyholders, as well as to expedite claims payments where the imagery and report alone allows Citizens to make coverage determinations.</p>
<p>Contract ID</p>	<p>Geospatial Imagery and Damage Assessment Reports SS 24-2001</p>

Geospatial Imagery and Damage Assessment Reports

Budgeted Item	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Procurement Method	This three (3) year contract was procured pursuant to Single Source 24-2001, which was publicly posted on May 16, 2024. An opportunity for vendor inquiry and protest was provided in accordance with Citizens' Purchasing Policy and s. 287.057(3)(c), Florida Statutes. The intent to award was posted on June 7, 2024, with the protest period expiring on June 10, 2024.
Contract Amount	\$1,412,834/year for three (3) years, Total amount not to exceed \$4,238,502.
Contract Terms	The three (3) year contract term will carry Citizens through 2025, 2026 and 2027, beginning January 1, 2025, and expiring December 31, 2027.
Committee Recommendation	<p>Staff proposes that the Claims Committee review, and if approved recommend the Board of Governors:</p> <ul style="list-style-type: none"> a) Authorize Geospatial Imagery and Damage Assessment Reports for Claims and Underwriting Operations with Vexcel Imaging US, with an expiration date of December 31, 2027, for an amount not to exceed \$4,238,502 as set forth in this Action Item; and b) Authorize staff to take any appropriate or necessary action consistent with this Geospatial Imagery and Damage Assessment Reports Action Item.
Board Recommendation from Committee	<p>If approved at its September 12, 2024, meeting, the Claims Committee recommends that the Board of Governors:</p> <ul style="list-style-type: none"> a) Authorize Geospatial Imagery and Damage Assessment Reports contract with Vexcel Imaging US, with an expiration date of December 31, 2027, for an amount not to exceed \$4,238,502 as set forth in this Action Item; and b) Authorize staff to take any appropriate or necessary action consistent with this Geospatial Imagery and Damage Assessment Reports Action Item.
CONTACTS	Jay Adams, Chief Insurance Officer