

Executive Summary

Claims Committee Meeting, November 30, 2016

Board of Governors Meeting, December 7, 2016

Catastrophe Update: 2016 Hurricane Season

Hurricane Hermine and Hurricane Matthew

The 2016 Hurricane season presented two hurricanes that impacted Florida. Hurricane Hermine made landfall near St. Marks, Florida in the early morning hours of September 2 and Hurricane Matthew that impacted the East Coast of Florida October 6 and 7. Many of the claims received from Hurricane Hermine had significant flood or surge damage, which is not covered by the Citizens policies. The great majority of the other claims had minor wind damage resulting in low claim payments. Claims from Hurricane Matthew spanned the entire east coast of Florida with 67 percent of the claims originating from Volusia, Brevard and Flagler counties. The wind damage was concentrated in the coastal areas due the parallel track that Matthew followed along the Florida Coast.

Both Hurricanes presented unique challenges that Citizens had not faced in the past, with having to close our offices and work remotely through the Imminent and Landfall phase of the Catastrophe Plan. Catastrophe Operations engaged several portions of the Catastrophe Plan for the first time during Hurricane Matthew which included:

- Housing and Rental car vendor program for EOC deployment
- Use of the Auto Dialer for potentially impacted policies
- Deployment of the Field Service Vehicles for the Emergency Operations Center
- Telephone support unit for both Commercial and Residential policies

The storms were a great opportunity to engage all aspects of the Catastrophe Plan and measure their effectiveness. As a result, Catastrophe Operations has already started to prepare enhancements for the future. The major lessons learned are listed below.

- Have multiple plans in place for adjuster orientation including out of state staging
- Streamline adjuster on-boarding process
- Provide more in-depth cross training for oversight employees
- Formally develop meeting structure for pre-storm discussions

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Listed below is a high level overview of the claims count for Hurricanes Hermine and Matthew. For Hurricane Matthew, we did engage the Fast Track Unit (phone adjusted claims) for the Severity 1 claims. These claims include losses such as food loss, damage to fencing, damage to outbuildings and minor exterior damage excluding damage to the roof of the main structure.

Hurricane Hermine:

Claims received as of November 7, 2016:

Residential:	878
Commercial:	18
Indemnity Paid:	\$986,000.51

Hurricane Matthew:

Claims received as of November 7, 2016:

Residential:	3,056
Commercial:	191
Number of Claims Inspected:	2,228 <i>(Not all claims require inspection)</i>
Number of Claims Closed:	1,834 <i>(56.48%)</i>
Indemnity Paid:	\$6,520,390.69