

Executive Summary

Actuarial and Underwriting Committee Meeting, March 12, 2025

Board of Governors Meeting, March 12, 2025

Loss History Reporting Extension

Topic

This Consent Item requests approval of a 6-month extension to the current contract with Insurance Services Office, Inc. ("ISO") for loss history reporting. No additional spending authority is needed. This contract extension will facilitate the orderly transition of services to the new vendor without increasing existing spending authority.

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.

On December 4, 2024, the Board approved a contract with LexisNexis Risk Solutions, Inc. (LexisNexis) to replace ISO as the provider of loss history reports. To facilitate an orderly implementation of LexisNexis' services, and in coordination with ongoing Guidewire Policy Center implementation activities, this Consent Item requests an extension of the contract with ISO for a period of 6 months, ending February 13, 2026.

No additional spending authority is needed. The cost of services provided under both contracts is based on actual utilization. Citizens will only pay for loss history report information that is specifically requested from each vendor during the underwriting process. Once the implementation of the LexisNexis contract is completed, Citizens will discontinue use of ISO for these services.

Recommendation

The recommendation is listed in the attached Consent Item.

Loss History Reporting Extension

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 Consent Item requests approval of a 6-month extension to the current contract with Insurance Services Office, Inc. ("ISO") for loss history reporting. No additional spending authority is needed. This contract extension will facilitate the orderly transition of services to a new vendor without increasing existing spending authority.
Contract ID	Loss History Reporting Services (Underwriting) Contract number: 19-19-0003-00 Vendor: Insurance Services Office, Inc.
Budgeted Item	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Procurement Method	On April 4, 2019, Citizens issued Request for Proposal No. 19-0003, Loss History Reporting Services (Underwriting Dept.). Two responses were received but only one response met the minimum requirements. In accordance with Section 287.057(5), Citizens conducted negotiations with both vendors to see which one could offer the best terms and conditions. On June 3, 2019, the negotiation team recommended an award to the vendor that had met the original minimum requirements – Insurance Services Office, Inc.
Contract Amount	\$3,300,000 (no change to contract amount)

Loss History Reporting Extension

Contract Terms	The Contract Term commenced on August 14, 2019 and will expire on August 13, 2025. A six (6) month extension will result in a contract expiration of February 13, 2026.
Committee Recommendation	Staff proposes that the Actuarial and Underwriting Committee review, and if approved, recommend the Board of Governors: a) Authorize a 6-month extension to the current contract with Insurance Services Office, Inc. ("ISO") for loss history reporting; and b) Authorize staff to take any appropriate or necessary action consistent with this Loss History Reporting Extension Consent Item.
Board Recommendation from Committee	If approved at its March 12, 2025, meeting, the Actuarial and Underwriting Committee recommends that the Board of Governors: a) Authorize a 6-month extension to the current contract with Insurance Services Office, Inc. ("ISO") for loss history reporting; and b) Authorize staff to take any appropriate or necessary action consistent with this Loss History Reporting Extension Consent Item.
CONTACTS	Jay Adams, Chief Insurance Officer