

# Executive Summary

Claims Committee Meeting, June 12, 2025

Board of Governors Meeting, June 25, 2025

## Comprehensive Material Analysis and Valuation Services for Insured Losses

### Topic

This service is required within the operation of the Claims Department to accurately identify the grade of flooring materials based on certain specifications and to then provide a current retail price to be used for claims valuation purposes.

### History

For the past fifteen years, Citizens has successfully partnered with ITEL Laboratories Inc. to provide Comprehensive Material Analysis and Valuation Services for Insured Losses. The current Contract No: 22-22-2001-00, will expire on December 17, 2025. Due to this upcoming expiration, Citizens must solicit a new contract to provide these same services.

Through market research, as well as the information verified directly from potential vendors, ITEL Laboratories Inc. remains the only vendor in the marketplace who provides this type of Comprehensive Material Analysis and Valuation Services for Insured Losses. As a result, Citizens procured these Services in accordance with s. 287.057(3)(c), Florida Statutes as a single source purchase.

Approximately 40% or more of claims involve a flooring loss which needs the Comprehensive Material Analysis and Valuation Services for Insured Losses, based on the guidelines set forth in Citizens' Best Practices and Estimating Guidelines. ITEL Laboratories, Inc's Comprehensive Material Analysis and Valuation Services for Insured Losses provide the type, quality, and the pricing specification of damaged flooring very quickly and accurately, using the latest up to date comprehensive product data. Such comprehensive data allows ITEL Laboratories, Inc. to quickly analyze a flooring sample, determine product kind, quality and pricing and identify multiple-like kind and quality retail products for the appropriate valuation.

Continuation of these Comprehensive Material Analysis and Valuation Services for Insured Losses with ITEL Laboratories will allow Citizens to:

- Obtain accurate pricing and better product matching
- Maintain transparency with insured during the valuation process
- Improve policyholder satisfaction
- More accurately manage indemnity spend on flooring claims
- Reduce Citizens' exposure to disputed claims

This service was procured via a Single Source Solicitation, with a three (3) year term. In accordance with s.287.057(13), Florida Statutes no renewals are allowed. The estimated cost of this contract is not to exceed \$450,000 in Non-CAT spend in addition to \$180,000 in CAT related spend for a total contract spend not to exceed \$630,000. The cost for these services will be included in the annual operating budget and is paid as a Loss Adjusting Expense (LAE).

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**Claims Committee Meeting, June 12, 2025**  
Board of Governors Meeting, June 25, 2025

## Recommendation

The recommendation is listed in the attached Consent Item.

## Comprehensive Material Analysis and Valuation Services for Insured Losses

**ACTION ITEM**

**New Contract**

**Contract Amendment**

**Other** \_\_\_\_\_

**CONSENT ITEM**

**Contract Amendment**

**Existing Contract Extension**

**Existing Contract Additional Spend**

**Previous Board Approval** \_\_\_\_\_

**Other New contract to replace existing contract with same vendor**

**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.

<b>Item Description</b>	<b>Comprehensive Material Analysis and Valuation Services for Insured Losses</b> Single Source No: 25-2001
<b>Purpose/Scope</b>	<p>This Consent Item seeks Board approval of a three (3) year contract for Comprehensive Material Analysis and Valuation Services for Insured Losses. The incumbent vendor, ITEL Laboratories Inc's., contract for Comprehensive Material Analysis and Valuation Services for Insured Losses expires on December 17, 2025, and has been re-procured in compliance with 287.057(3)(c), Florida Statutes. Approval of this Consent Item will allow Citizens to continue to receive the same Comprehensive Material Analysis and Valuation Services for Insured Losses we receive today, needed to:</p> <ul style="list-style-type: none"> <li>• Obtain accurate pricing and better product matching</li> <li>• Maintain transparency with insured during the valuation process</li> <li>• Improve policyholder satisfaction</li> <li>• More accurately manage indemnity spend on flooring claims</li> <li>• Reduce Citizens' exposure to disputed claims</li> </ul>
<b>Contract ID</b>	<b>Comprehensive Material Analysis and Valuation Services for Insured Losses</b> Single Source No: 25-2001 ITEL Laboratories, Inc

## Comprehensive Material Analysis and Valuation Services for Insured Losses

<b>Budgeted Item</b>	<input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No
<b>Procurement Method</b>	On April 17, 2025, Citizens issued a Single Source Solicitation, No: 25-2001, for Comprehensive Material Analysis and Valuation Services for Insured Losses, in accordance with s. 297.057(3)(c), Florida Statutes. Single Source 25-2001 was posted for the required fifteen (15) business days, followed by the seventy-two (72) hour Notice to Award posting.
<b>Contract Amount</b>	The estimated contract spend over the life of the contract is \$630,000.
<b>Contract Terms</b>	The contract will have a three (3) year base term, with no renewal option.
<b>Committee Recommendation</b>	<p>Staff proposes that the Claims Committee review, and if approved, recommend the Board of Governors:</p> <ul style="list-style-type: none"> <li>a) Authorize the Comprehensive Material Analysis and Valuation Services for Insured Losses contract with ITEL Laboratories, Inc. for a term of three (3) years, for an amount not to exceed \$450,000 for Non-Catastrophe claims, and</li> <li>b) Authorize the Comprehensive Material Analysis and Valuation Services for Insured Losses contract with ITEL Laboratories, Inc. for a term of three (3) years, for an amount not to exceed \$180,000 for Catastrophe claims, and</li> <li>c) Authorize staff to take any appropriate or necessary action consistent with this Consent Item.</li> </ul>
<b>Board Recommendation from Committee</b>	<p>If approved at its June 12, 2025 meeting, the Claims Committee recommends that the Board of Governors:</p> <ul style="list-style-type: none"> <li>a) Authorize the Comprehensive Material Analysis and Valuation Services for Insured Losses contract with ITEL Laboratories, Inc. for a term of three (3) years, for an amount not to exceed \$450,000 for Non-Catastrophe claims, and</li> <li>b) Authorize the Comprehensive Material Analysis and Valuation Services for Insured Losses contract with ITEL Laboratories, Inc. for a term of three (3) years, for an amount not to exceed \$180,000 for Catastrophe claims, and</li> <li>c) Authorize staff to take any appropriate or necessary action consistent with this Consent Item.</li> </ul>

# Comprehensive Material Analysis and Valuation Services for Insured Losses

<b>Contacts</b>	Jay Adams, Chief Insurance Officer
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