

Executive Summary

Claims Committee Meeting, September 11, 2025

Board of Governors Meeting, September 24, 2025

Mobile Home Demolition Services

Topic

This Consent Item seeks approval to continue utilizing the Mobile Home Demolition Services panel contracts throughout the renewal periods up to July 24, 2030. The Board earlier approved \$1,300,000 for the life of these contracts in July 2024. However, Citizens is seeking additional authority due to the effects of three (3) hurricanes that impacted Florida last year, Debby, Helene, and Milton. The revised estimated spend for the entirety of the contract is now approximately \$6.6 million.

History

Section 319.30, Florida Statutes, requires Citizens to obtain the title to any mobile/manufactured home that has been determined by a Claims' Adjuster to be a total loss. As a result, it is Citizens' responsibility to ensure proper demolition and removal of all mobile/manufactured homes that have been determined to be a total loss.

Currently each contracted primary vendor on the panel provides Citizens with experienced personnel and equipment to safely demolish, remove, and properly dispose of all mobile home debris and remnants from an insured property, regardless of the severity, in non-catastrophic and catastrophic situations. Each vendor provides services to Citizens and Citizens' policyholders throughout the entire State of Florida.

The services include:

- Demolition – The systematic, appropriate, and safe destruction of a mobile/manufactured home structure.
- Removal – The safe and lawful removal of all mobile/manufactured home debris and remnants from a property.
- Disposal – Ensure the safe, proper, and legal disposal of all mobile home debris and remnants in accordance with state and local laws, regulations and/or restrictions.

On July 25, 2024, with Board approval, Citizens entered contracts with five (5) primary and five (5) contingent vendors to provide timely delivery of Mobile Home Demolition Services for a three (3) year base term with one (1) three (3) year optional renewal term, for an amount not to exceed \$1,300,000.00 for the life of the contracts.

As of July 22, 2025, a total of \$991,202.29 has been spent leaving a balance of \$308,797.71. Of this total, \$895,190.55 was for Catastrophe (Cat) claims with \$96,011.74 expended for Non-Cat claims. The estimated cost for the remaining five years of this contract for Non-CAT is now \$842,413.

For CAT-related categories, the five-year estimated spend is divided by impact level. Since 2019, Citizens was impacted by 3 major events: (Hurricanes Ian, Milton and Michael) which averaged \$1,004,111 per event. Additionally, Citizens was impacted by 9 minor Cat events (Several lesser Hurricanes and pocket storms) which averaged \$61,514.39 per event. The chart below demonstrates the breakdown of Mobile Home Cat and Non-Cat claims since 2019.

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Year	Total Claims	Total Cost	Cat Claims	Cat Claim Cost	Non Cat Claims	Non Cat Claim Cost
2019	172	\$1,243,702.96	148	\$1,102,143.06	24	\$141,599.90
2020	41	\$277,577.73	21	\$161,505.74	20	\$116,071.99
2021	28	\$181,655.72	10	\$74,485.71	18	\$107,170.01
2022	28	\$180,361.22	11	\$71,252.00	17	\$109,109.72
2023	398	\$3,001,905.16	384	\$2,926,052.35	14	\$75,852.81
2024	63	\$497,040.61	38	\$300,755.63	25	\$196,284.98
2025	97	\$958,243.66	86	\$881,200.70	11	\$87,042.96

CAT events with minor impacts are expected to cost \$327,049, while CATs with major impacts are projected at \$5,338,477. Combined, the total estimated spend for CAT (both minor and major impact) over the remaining five years of this contract amounts to \$5,665,526.

Altogether, the total spend request for the remaining five years of this contract, incorporating both Cat and Non-Cat forecasts, and the projected PIF reduction of 8.6%, is now approximately \$6,600,000.

Citizens is seeking authority to continue to utilize these contracts as needed through July 24, 2030. The total amount spent is contingent on utilization, which may vary depending on several factors, including policy count and catastrophes.

Recommendation

The recommendation is listed in the attached Consent Item.

Mobile Home Demolition Services

☐ ACTION ITEM

☐ New Contract

☐ Contract Amendment

☐ Other _____

☒ CONSENT ITEM

☐ New Contract

☐ Contract Amendment

☐ Existing Contract Extension

☒ Existing Contract Additional Spend

☒ Previous Board Approval: July 10, 2024

☐ 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	Mobile Home Demolition Services
Purpose/Scope	This Consent Item seeks Board approval to continue utilizing contracts for Mobile Home Demolition Services through July 24, 2030, with a revised estimate of \$6,600,000 in contract spend including several minor and major catastrophes.
Contract ID	Mobile Home Demolition Services RFP 23-0019 MULTIPLE VENDOR AWARD
Budgeted Item	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The estimated cost for this contract is a budgeted expense under the policy and paid as an expense to the claim.
Procurement Method	Citizens issued a Request for Proposals (RFP) 23-0019 for Mobile Home Demolition Services on December 4, 2023. On July 10, 2024, the Board approved contracts for the use of five (5) primary and five (5) contingent vendors to provide timely delivery of Mobile Home Demolition Services.
Contract Amount	Citizens' estimates the total cost through all renewals will be \$6,600,000.

Mobile Home Demolition Services

Contract Terms	The contracts include a three (3) year initial base term with one (1) three (3) year renewal option. Payment is based on utilization.
Committee Recommendation	Staff proposes that the Claims Committee review, and if approved, recommend the Board of Governors: <ul style="list-style-type: none">a) Approve the continued utilization of the Mobile Home Demolition Services contracts throughout all renewal periods as set forth in this Consent Item; andb) Authorize staff to take any appropriate or necessary action consistent with this Consent Item.
Board Recommendation from Committee	If approved at its September 11, 2025 meeting, the Claims Committee recommends that the Board of Governors: <ul style="list-style-type: none">a) Approve the continued utilization of the Mobile Home Demolition Services contracts throughout all renewal periods as set forth in this Consent Item; andb) Authorize staff to take any appropriate or necessary action consistent with this Consent Item.
Contacts	Jay Adams, Chief Insurance Officer