

ACTION ITEM

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Claims Committee Meeting, June 15, 2017
Board of Governors Meeting, June 20, 2017

CONTRACT ID:	Independent Adjusting Services – Litigated RFP No. 17-0002 MULTIPLE VENDOR AWARD – SEE ATTACHED NOTICE
BUDGETED ITEM	Yes.
CONTRACT AMOUNT	The estimated cost of this contract, including renewals, is not to exceed \$630,980,650.00. A continued growth rate was applied over the life of the contract based on Policy in Force (PIF) projections and a continued increase in the frequency of litigation. Claims Litigation experienced a 26% increase in Independent Adjuster resource needs from 2015 to 2016; and a 21% increase in Independent Adjuster resource needs from 2016 to YTD; for these projections, a conservative annual growth rate of 20% was applied until year 2020. After 2020, the growth rate was projected to descend over the remainder of the contract.
PURPOSE / SCOPE	<p>This Action Item seeks approval for Citizens to enter into contracts with multiple qualified vendors to provide Independent Adjusting Services for litigated claims.</p> <p>In addition to servicing litigated claims, this contract will also enable awarded vendors the opportunity to provide catastrophe services, in the form of desk adjusters and only upon request of Citizens, as part of Citizens' catastrophe response.</p> <p>Citizens estimates an immediate need for 180 adjusters to service pending litigated claims, as well as a potential need for 500 additional adjusters to handle litigated claim volumes throughout the life of the contract. Citizens intends to contract with enough vendors to secure the necessary adjusting resources to provide Litigated, Pre-suit Appraisal, and Pre-Suit Mediation Adjusting Services until 500 adjusters are fully credentialed as having met Citizens' standards.</p>
CONTRACT TERM(S)	It is anticipated that this contract will have a five (5) year base term with optional five (5), one (1) year renewal terms (the "Renewal Term"), which may be exercised upon mutual agreement of the parties.
PROCUREMENT METHOD	On March 20, 2017, Citizens issued Request for Proposals (RFP) No. 17-0002 for Litigated Independent Adjusting Services. Responses were received and scored by an Evaluation Committee and on May 17, 2017, the Evaluation Committee recommended award to five (5) primary vendors and eight (8) contingent vendors. A listing of the firms recommended for award in the Notice of Intent to Award is attached as Attachment "A".
RECOMMENDATION	Staff recommends the Citizens' Board: a) Approve the recommended award and resulting contract including renewal periods for Litigated Independent Adjusting Services – Litigated, RFP 17-0002, to the list of attached Vendors, as set forth in this Action Item;

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	<ul style="list-style-type: none">b) Authorize staff to take any appropriate or necessary actions consistent with this Action Item; andc) Approve this Action Item not to exceed \$630,980,650.
CONTACTS	Jay Adams, Chief of Claims