

# Executive Summary

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

## Independent Adjusting Services – Non-Litigated / Catastrophe, RFP 17-0006

### History

In its normal business activities, Citizens regularly partners with third party vendors to provide qualified and licensed adjusters to perform Adjusting Services in both catastrophic and non-catastrophic circumstances. These above described services encompass the following operations:

- completing daily claims operations and claims adjusting services related to non-litigated claims; and
- providing adjustment of catastrophe claims in a catastrophe response.

During the initial deployment of adjusting resources in response to Hurricane Matthew, the primary awarded vendors under the current contract were unable to adequately meet Citizens' needs as outlined in the resource deployment request. After careful consideration, and in order to better meet the future needs of our policyholders in the event of a catastrophe, Citizens' Claims Leadership chose to exercise the termination clause of the existing contract, which includes all forms of residential adjusting services, and resolicit these services under two (2) separate contracts - one for litigated adjusting services and the other for both non-litigated and catastrophe services.

Citizens' Board of Governors approved the existing contract (14-0019-00) in June 2015. This original contract for adjusting services is scheduled to end one day prior to the Go Live date of the new contract for which Board approval is being sought, projected to be on or about August 1, 2017.

On April 28, 2017, Citizens issued Request for Proposals (RFP) No. 17-0006 for Independent Adjusting Services – Non-Litigated / Catastrophe. Upon conclusion of the evaluation process for Request for Proposal (RFP 17-0006), an intent to award contracts to multiple Vendors was published on June 14, 2017.

The intent to award addresses the estimated needs of Citizens for 2000 adjusters for catastrophe claims volumes.

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 at Citizens' sole discretion by delivery of written notice any time prior to the expiration of the then current contract. Estimated cost of this contract, including renewals, is not to exceed \$343,900,000.00

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## Recommendation

Staff recommends that Citizens' Claims Committee approve and recommend the Board of Governors to:

- a) Approve the recommended award and resulting contract, including renewal periods, for Independent Adjusting Services – Non-Litigated / Catastrophe, RFP 17-0006, to the list of attached Vendors, as set forth in this Action Item;
- b) Authorize staff to take any appropriate or necessary actions consistent with this Action Item;  
and
- c) Approve the contract not to exceed \$343,900,000.