

Managed Repair Program

Claims Committee

June 15, 2017



Managed Repair Program (MRP)

- Managed Repair Program has two components
 - Mitigation Services
 - Emergency water extraction and drying
 - Managed Repair to return the dwelling to the pre-loss condition (Permanent Repairs)

Mitigation Services Goal

- Service that will be available to every insured with a HO3 or DP3 policy during the First Notice of Loss (FNOL) based on Non Weather Water losses
- Citizens will provide mitigation services up to \$3,000 or 1% of the Coverage A limit, until coverage is determined
 - Vendor must seek Adjuster approval prior to exceeding these limits
- Mitigation services are considered a Service offered by Citizens and will be coded as an Expense to the claim file
- Policy deductible does not apply as this is being provided as a service
- Product has created a new endorsement that details Mitigation Services

Mitigation Services Goal (continued)

- Goal is for immediate response by Citizens to have a General Contractor assigned for Mitigation Services to assess all damages
 - General Contractor will be able to handle the permanent repairs if the claim moves into the MRP
- Claims will be assigned to a specialized group of dedicated adjusters for handling

Managed Repair Program Goal

- The Managed Repair Program focuses on the permanent repairs and includes:
 - Board up
 - Tarping
 - Emergency tree removal
- Provide a customer-centric program where Citizens and the Insured mutually agree to enter the program
- Citizens utilizes contracted vendors to complete the repairs once the MRP is invoked and return the dwelling to the pre-loss condition
- Any policy deductible is applied to the permanent repairs

MRP Eligible Claims

- Claims that are eligible for MRP will receive estimates generated by a General Contractor
 - Mitigation Services Estimates
 - Managed Repair Estimates
- Estimates will be reviewed and approved/rejected during the desk adjustment process

MRP Eligibility Standards

- Mutual acceptance between Citizens and Insured
- Only Non Weather Water losses are system generated via ClaimCenter
- No dollar limit thresholds
- Excludes Late Notice claims (defined as >365 days)
- Excludes No Policy in Force (NPIF) and Depopulation claims
- Endorsements provide the insured the ability to terminate their consent up to entering a signed contract
 - In the event of Termination of Consent, the endorsements no longer apply and instead all provisions of your Policy apply

First Notice of Loss Scripts

- FNOL
 - ClaimCenter will automatically prompt scripts based on the Non Weather Water Cause of Loss
- Mitigation Services are needed based on date of loss
 - ClaimCenter will prompt indicating that the claim is eligible for Mitigation Services with a brief explanation and the Insured will accept/decline
 - Prompt only applies if the claim is reported within 3 days of the date of loss

First Notice of Loss Scripts (continued)

- Closing Script
 - Depends on the Insured response to Mitigation Services
 - Acceptance renders Contractor Connection phone number and time lines
 - Rejection renders Adjuster information

Application of the Program

- FNOL received with Non Weather Water Cause of Loss for Mitigation Services
 - Insured accepts Mitigation Services
 - Claim is referred to Contractor Connection and a dedicated claims team
 - Contractor Connection assigns General Contractor and makes a three-way call with the insured

Application of the Program (continued)

- General Contractor arrives on site within four hours to complete mitigation services and writes a scope and estimate of all damages
- Claims team reviews scope and estimate to determine if eligible for MRP
 - Eligible: Repairs completed and vendor paid direct
 - Ineligible: Claim is paid at RCV to the insured based on contractor estimate

Application of the Program (continued)

- FNOL received with Non Weather Water Cause of Loss for Mitigation Services
 - Insured does not accept Mitigation Services
 - Claim is referred to Contractor Connection and a dedicated claims team
 - The General Contractor will visit the property to develop a scope and estimate of the damages
 - Claims team will review and determine if eligible for Managed Repair and will discuss with the insured

Application of the Program (continued)

- Adjuster reviews mitigation invoice and refers to Water Mitigation Expert Review if Insured is claiming mitigation damages
 - Claim is paid based on review
 - \$3,000 or 1% of Coverage A considered
 - Temporary versus permanent repairs considered

Application of the Program (continued)

- FNOL received with Non Weather Water Cause of Loss (COL) for Managed Repair (mitigation is not needed or the claim has been reported four or more days after the COL)
 - Insured notified that claim is being assigned to a General Contractor and to a dedicated claims team (Not a MRP claim at this point, but following the MRP workflow)
 - General Contractor prepares a scope and estimate
 - Claims team reviews scope and estimate to determine if eligible for MRP
 - Eligible: Repairs completed and vendor paid direct
 - Ineligible: Claim is paid to the insured based on the claim teams assessment of the contractor estimate

Claims Workflow

- Claim assignment
 - Claim concurrently assigned to
 - Dedicated claims team
 - Contractor Connection
 - Claims team adjuster completes the initial policy review and “First Contact” with the insured within one calendar day of assignment
 - Explanation of the Managed Repair Program three-way phone call with the Insured and the contractor
 - Contractor will write the scope and estimate of damages

Claims Workflow (continued)

- Claim Owner Review – Contractor Submission
 - Contractor has 72 hours from the date of inspection to submit documents
 - Estimates
 - Diagrams
 - Photos
 - Notes
 - Subcontractor bids

Claims Workflow (continued)

- Claim Owner Review – Emergency Services
 - If water extraction estimate is more than \$3,000 or 1% of Coverage A Policy Limit
 - Contractor contacts Adjuster for approval on additional water extraction
 - If payment is due, review the invoices for accuracy
 - Make payment to the Contractor only
 - Insured's name is not on the check
 - Paid as an Expense
 - No deductible applies

Claims Workflow (continued)

- Claim Owner Review – Coverage Review for Permanent Repairs
 - Review of documentation submitted by Contractor
 - Review “First Contact” documentation with Insured
 - Determine if claim is a covered loss
 - Non Covered Loss
 - Issue Denial letter and contact the Insured and Contractor to advise

Claims Workflow (continued)

- Claim Owner Review – MRP Eligibility
 - Eligible
 - Contacts the Insured to reach mutual agreement to enter the MRP Program
 - Advises Insured that payment will be less the policy Deductible. Profit and Overhead will be held back until the satisfaction of work letter is received by the insured.
 - Payment will be made to Contractor & Insured without the Mortgagee
 - Advises Insured that the policy deductible will be handled between the Contractor and the Insured
 - Sends out the Initiation letter that outlines the expectations and introduces the warranty

Claims Workflow (continued)

- Claim Owner Review – Termination of Consent for Managed Repair
 - Termination of Consent
 - Window begins when Insured accepts entry into MRP
 - Window ends when Insured signs contractor with MRP Contractor
 - Initiation letter will further detail the Termination of Consent process
 - Once the MRP repairs begin, Citizens will endeavor to complete all repairs to return the structure to it's pre-loss condition

Claims Workflow (continued)

- Claim Owner Review – Period of Restoration
 - Establishes period of restoration with Contractor
 - Establish weekly diary entries to contact the Insured as a customer service contact to check on the progress of the MRP repairs
 - Each weekly contact updated in ClaimCenter

Claims Workflow (continued)

- Claim Owner Review – Dispute Resolution
 - Insured is not happy with the quality of work or the progress to date
 1. Contact the MRP Contractor to attempt to resolve the issue
 2. Triage the claim with the MRP Contractor, Contractor Connection and Vendor Relations
 3. Refer to Vendor Relations to invoke the formal resolution process

Claims Workflow (continued)

- Claim Owner Review – Completion of MRP
 - Contractor uploads the signed satisfaction agreement from the Insured and a copy of the warranty agreement
 - Release the Profit & Overhead holdback payment
 - Check is payable to Contractor and Insured Closing letter sent

Claims Workflow (continued)

- Claim Owner Review – MRP Eligibility
 - Ineligible
 - Claim does not meet MRP Eligibility standards
 - Insured does not mutually agree to enter the MRP
 - Send Settlement Letter, Contractor Estimate, Statement of Loss and indicated that MRP was offered and not accepted

MRP Letters

1. MRP Introduction
2. MRP Initial-Supplemental Payment with Mediation
3. MRP Initial Payment Partial Denial with Mediation
4. MRP Full Denial with Mitigation Payment with Mediation
5. MRP Initial-Supplemental Payment with Opt-Out Partial Denial with Mediation
6. MRP Initial-Supplemental Payment with Opt-Out with Mediation
7. MRP Final Payment

Claims – After Hours

- Call Center will provide the insured with the phone number of Contractor Connection during the FNOL
- Escalated calls will be routed to the After Hours Independent Adjuster Firm