

# Executive Summary

Claims Committee Meeting, December 7, 2017  
Board of Governors Meeting, December 13, 2017

## 2017 Catastrophe Update

### Hurricane Irma Update

On September 10, 2017 Hurricane Irma made two landfalls in Florida, in the early morning hours at Cudjoe Key as a Category 4 hurricane and again near Marco Island in the afternoon as a Category 3 hurricane. As with the 2016 hurricanes, we closed our facilities based on the track of Hurricane Irma and the eventual flooding that took place in downtown Jacksonville. Significant challenges were in play with Independent Adjuster resources with the Hurricane Harvey response in Texas just 16 days prior to Irma making landfall in Florida. This drained the pool of qualified resources to respond to Hurricane Irma.

Shortly after landfall it was apparent there was significant wind and surge/rising water damage in the middle and lower Keys. There are logistical obstacles for adjusting claims in the middle and lower keys from the mainland. The availability of contractors in the Keys places additional strains on costs and the pricing in the estimating software does not reflect all of the market conditions at time of settlement. The Vendor Management Office was able to secure rooms and meeting space for our Strike Zone office in Key West, to service the middle and lower Keys.

Catastrophe Response Centers were deployed to South Miami-Dade, Collier and Monroe counties to provide First Notice of Loss (FNOL) support and Additional Living Expense (ALE) assistance for policyholders from September 15 through October 6 at ten different locations.

Totals by Week	Grand Totals	
<b>Policyholders Assisted</b>	<b>1,788</b>	
<b>Other Inquiries (Non-PH)</b>	<b>725</b>	
<b>FNOLs Filed</b>	<b>804</b>	
<b>ALE Checks Provided &amp; Total Value</b>	<b>416</b>	<b>\$1,151,452</b>

Our FNOL Call Centers expanded to 11 different sites, with five vendors to have the capacity for incoming call volume. Citizens Call Center management provided onsite direction to ensure all service standards were achieved. Through October 29 they have answered over 134,000 phone calls with a peak day of over 9,000 calls. The call center was also utilized for outbound calling campaigns to contact policyholders in the areas with the most severe damage.

We expanded our Managed Claim Model (MCM) and Non-Weather Water teams to handle the first 5,000 to 6,000 claims as we ramped up the inside Desk Adjuster teams and Task Field Adjusters. We also leveraged our existing Independent Adjusters working on our Litigation and Appraisal teams to assist with making outgoing phone calls at the onset of the response. These teams were also used to assist with the settlement of files after the inspection.

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A key function of the inside teams is the Resolution Unit that handles escalated calls and general questions from Policyholders. This team is unique because they are assigned to the phone system and have a desktop of claims to work. Through November 15, the Resolution Unit received 60,438 phone calls. We expanded our capabilities of the Desk Adjuster by utilizing new functionality in our estimating software to allow for collaboration through a smart phone or tablet between the Desk Adjuster and the insured or Field Adjuster. Through November 15 we have only received 215 formal complaints which equates to 0.37% of total claims for Hurricane Irma.

Our Large Loss teams worked to establish a surge/wind protocol to assist in the investigation and settlement of losses in areas impacted by rising water and surge. The majority of these claims have significant wind damage along with surge/rising water damage that predicates us involving an engineer to establish causation on components of the loss.

Commercial Claims staffed up from resources that were identified over the past two years that had the capability to work large complex commercial losses. As of November 15, there have been 2,045 commercial claims received; mainly concentrated in the Monroe, South Miami-Dade and Collier counties. The majority of the claims have wind damage to roofs and exterior fascia on the buildings. Almost 72% of these claims are less than the deductible or closed without payment.

In the immediate aftermath of Irma, the Special Investigations Unit's (SIU) leadership worked with Claims Governance and issued communications to adjusters asking them to notify SIU of any suspected fraud, including violation of fee caps, deceptive solicitation and other violations of state law. Referrals were handled by SIU's Desk and Outsourcing investigators whose workload shifted in anticipation of Irma's landfall. SIU's Desk/Outsourcing team also supported the adjuster's in the field. The team remained on extended hours to assist with front-end research where storm surge was indicated. This research included analysis of underwriting, claims information as well as researching both pre/post Irma aerial photos of risks. This team completed research in over 2,000 claims on this project, which started within 72 hours of Irma making landfall. These reports have proven to be very valuable to the adjusters handling these dual cause losses.

Within 24 hours after landfall, the SIU field team began responding to tips coming in to Citizens and the National Insurance Crime Bureau (NICB) hotlines by going into the field to inspect suspicious damage and interviewing witnesses. Citizens' SIU established a presence in the satellite office that was opened in Key West after Irma. SIU's analytics group enhanced reporting for Irma claims to identify geographic areas with a higher potential for fraud. Group members developed a mechanism to notify the company if any Irma claims are reported on an insured property that already is involved in a fraud investigation. At the conclusion of October, the unit had received dozens of hotline tips, investigated more than 165 claims and already referred nine cases to the Florida Division of Investigative and Forensic Services (DIFS) for further investigation and possible criminal charges.

For the Hurricane Irma response we called on all available resources to respond to the event. The table below is the breakdown of the resources that were utilized for the Irma response.

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Unit	# of Resources
MCM	124
Cat Field & Desk Adjuster	603
Cat Trainee	188
Litigation	214
<b>Total</b>	<b>1,129</b>

## Hurricane Irma Statistics

Claim Status		
	Claims	% of Claims
<b>Closed</b>	43,848	69.87%
<b>Open</b>	18,909	30.13%
<b>Grand Total</b>	62,757	

Claims by County (Top 4)		
	Claims	% of Claims
<b>Miami-Dade</b>	24,173	38.55%
<b>Broward</b>	9,391	14.98%
<b>Monroe</b>	9,083	14.49%
<b>Pinellas</b>	3,528	5.63%

Closed Claim Metrics		
	Personal Residential	Commercial Property
<b>Closed Claim Total</b>	42,404	1,444
<b>Closed with Payment</b>	21,336	419
<b>%</b>	50.32%	29.02%
<b>Closed without Payment</b>	21,068	1,025
<b>%</b>	49.68%	70.98%

Total indemnity paid for Residential claims \$330,145,893.83

Total indemnity paid for Commercial claims \$24,131,412.09

Claim information is through Close of Business on November 29, 2017 for Hurricane Irma.

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## Hurricane Nate and Tropical Storm Philippe

Hurricane Nate made landfall in southeast Louisiana on October 7, 2017 and impacted portions of the Florida Panhandle with tropical storm force winds and heavy rains.

Claims Received	23
Claims Closed	22
Indemnity Paid	\$40,669

Tropical Storm Philippe skirted the southeastern coast of Florida with minimal tropical storm force winds and heavy rains on October 28.

Claims Received	33
Claims Closed	22
Indemnity Paid	\$101,342

Claim information is through Close of Business on November 29, 2017 for Hurricane Nate and Tropical Storm Philippe.

## Conclusion

The Hurricane Irma response is moving towards the closing stages and follow up work has already started in the field. As we move to evaluate and pay the remaining open claims we have already started to staff our Mediation and Appraisal teams to handle increased volume. This was the first time since Hurricane Wilma in 2005 that we initiated all aspects of our Catastrophe Plan at an enterprise wide level. The entire organization worked together to service the needs of the policyholders and make this a successful response. Planning and preparation for the 2018 Hurricane season has already started and will incorporate lessons learned and enhancements into future responses.