

Audit Committee Citizens Strategic Risk Update

September 25, 2018



Claims Abuse

Risk Owner: Jay Adams

Risk Champion: Elaina Paskalakis

Risk Description
Failure to identify and stay in front of claims abuse schemes that increase litigation costs for Citizens.
Mitigation Update
<ul style="list-style-type: none">• Front-line claim representatives and team leads communication to CLT leadership of identified trends and potential systematic fraud• SIU leadership liaison to Florida DFS for P & C Industry awareness and reporting of claim trends and patterns of abuse• CPIC Product reviews to recognize contract deficiencies that may provide opportunities for future claim scheme abuse• CPIC UAS leadership outreach to educate agencies to be aware of and report to CPIC patterns of claim trends in their service area• CLT conducts quarterly claim trend committee meetings• Automated vendor and PA data collection, via ClaimCenter, to identify service provider(s) relationships, patterns & geography• Feedback "loop" between Claims & Claims Litigation regarding emerging trends and anomalies• Ongoing departmental and business unit QA of adjuster activities
Potential Gaps / Concerns
<ul style="list-style-type: none">• Claim abuse schemes evolve slowly, over a period of time and are difficult to identify in short-term• Compilation of data to identify and profile service provider(s) relationships• Anticipating product 'loopholes' for contract revisions without compromising customer contract protections• Engaging CPIC contract agencies to report 'red flags' of potential fraud claim trends within their communities• Reliance on outside vendors for claims adjustment & litigation handling that may obscure visibility to schemes.

CAT Response

Risk Owner: Jay Adams

Risk Champion: Michael Guerra

Risk Description
Failure to have adequate resources to respond to a major catastrophic event.
Mitigation Update
<ul style="list-style-type: none">• RFP Solicitation for Independent Adjusting Services – CAT• RFP Solicitation for Field Inspection Services – CAT• Established Best Practices / Estimating Guidelines for the Field and Desk Adjuster – established services expectations• Established 'Fast Track' Catastrophe Adjuster's Processing Guide• RFP Solicitation for Aerial Drone Inspection Services• Renewed Geomni Roof Skematic Contract with Xactware• Xactanalysis established as conduit via CPIC GAM to forward CAT IA claim assignments to IA firms and firms make assignment to their IA teams.• IA CAT estimates to be both IA firm & CPIC QA team reviewed and qualified via Xactanalysis prior to submission to ClaimCenter file• 2017 IA Fee Schedule to be maintained in 2018
Potential Gaps / Concerns
<ul style="list-style-type: none">• First major event of the season, or multiple events, strike outside of Florida drawing IA resources away• Multiple events stretch available resources and CAT service fatigue reduces productivity and claim services quality for both IA and CPIC claim representatives• Initiation of Modified CAT for MCM 'First Response' for CAT event and ability to maintain service for Non-CAT claims following major or multiple events• Xactanalysis success as IA claims assignment delivery, distribution and estimate return conduit to• ClaimCenter, proficiency for first-CAT year engagement protocol