

**2023
Best
Claims Practices
and Estimating
Guidelines**

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CITIZENS' MISSION, VISION AND VALUES

Our Mission

To provide efficiently property insurance protection in Florida to those who are, in good faith, entitled to obtain coverage through the private market but are unable to do so, while also providing levels of customer service that are comparable to the standards of the private market.

Our Vision

As a government entity fulfilling a public purpose, Citizens aspires to provide insurance products and services that meet the needs of Florida property owners who are, in good faith, entitled to obtain coverage through the private market but are unable to do so. We strive to reduce the financial burden on all Floridians by being good stewards of the premium funds entrusted to us. In all that we do, we will conduct ourselves with the highest level of ethical behavior.

Our Values

In accomplishing our mission, we embrace the following values:

- **Public Service:** We support the private marketplace, providing quality service to our customers and being there when Florida policyholders need us
- **Integrity:** We embrace our values and code of ethics with pride
- **Respect:** We are polite, courteous and respect one another and those we serve
- **Responsiveness:** We provide quality service that meets the needs of our customers
- **Sound Judgment:** In every situation, we strive to do the right thing.

PURPOSE & SCOPE

It is Citizens' goal to deliver high quality customer service to our insureds, agents, vendors, and the residents of Florida, by handling all of our claims promptly and efficiently from the moment of dispatch through final resolution.

The purpose of these *Best Claims Practices and Estimating Guidelines* is to provide Citizens' Claims staff, independent adjusters and adjusting firms with an overview of the general principles and guidelines for receiving, investigating, evaluating, documenting, and communicating Citizens' property claims.

This document was established to provide a consistent methodology for the handling of Citizens' property and casualty claims. Our goal is to provide high-quality customer service and accurate damage estimates for our insureds in their time of need. The application of any information contained in this document will depend on specific facts, circumstances and laws as related to the specific claim and/or damages in question. Each claim must be considered and handled on its own merit, in concert with these guidelines and practices. This document is not intended to be a set of mandated or "all inclusive" rules and/or procedures but to instead provide a broad overview of claims handling guidelines based on common construction techniques as well as standards and principles generally accepted within the industry.

This document is not intended to supersede any local, state or federal law or statute. In the event of a conflict, the local, state or federal mandate must be followed. The adjuster should be familiar with and able to access all applicable local, state, and federal claims handling guidelines and procedures as required by law.

Application of the guidelines described in this document may differ for each individual claim depending upon that claim's unique facts and circumstances. Adjusters should handle every claim as unique, unto itself, and evaluating each claim on its own merit.

SERVICE TO OUR POLICYHOLDERS

It is Citizens' goal to deliver superior customer service.

Citizens' customers include our policyholders, our agents, our vendors, our employees, and the residents of Florida. Citizens expects prompt claims handling from the initial reporting through final resolution.

All claims should be investigated thoroughly for causation and third-party liability, while analyzing the appropriate policy provisions to determine the broadest form of coverage available for the loss. Subrogation and Salvage opportunities should be recognized. All claims handling should be timely, efficient, well-documented and communicated thoroughly to all applicable parties to the loss. Reassignments between claims personnel should be minimized. When required, reassignments should be conducted timely and the insured or their representative(s) informed of such transitions.

Written and oral communications should be professional, clear, concise, grammatically correct and conveyed in a consumer-focused manner. In recognizing the need to address complex coverage and legal issues, specific language may be required in the correspondence content. The policy language cited in communications should come from the policy in-force, at the time of the loss.

The insured or their representative(s) are to be kept informed and their expectations clearly addressed throughout the life of the claim. This includes explaining the expected timeline for handling and concluding the claim and evaluating the "next step(s)" in the adjustment process. Prompt and timely responses to any verbal or written inquiries, escalations and/or complaints are expected.

Customer service feedback through surveys, file audits and onsite reinspections are reviewed and analyzed to identify opportunities and promote good behaviors. Training to such results is important to maintain our quality assurance standards.

CUSTOMER SERVICE

Initial Contact - Initial voice-to-voice contact with the insured or their representative(s) upon assignment or reassignment is to be made within:

- One (1) calendar day
- Three (3) calendar days for catastrophe losses during a Citizens' activated catastrophe response
- If the adjuster fails in their initial attempt to contact the insured or their representative(s), they should continue to make every reasonable effort to make contact in a timely manner including, but not limited to the following:
 - Send a ClaimCenter® e-mail or contact letter within three (3) calendar days if unable to make initial contact with the insured or their representative(s) within the designated time.
 - Documenting continued and multiple phone call attempts.
 - Leaving telephone messages. (Voice-to-voice is required for first contact. Text or voice mail messages are not a substitute and backdating of the first contact is not permitted).
 - Contacting the insured's agent of record for other potential contact information.
 - Initial contact can be made by email and documented in the file, if:
 - A foreclosure claim was reported by the mortgagee or mortgagee's representative
 - The insured is represented by a public adjuster (PA) or attorney in an appraisal or mediation matter
- During the initial contact, the adjuster should:
 - Determine if any loss information has changed since the original report by verifying the detailed facts, including date and time of loss.
 - Confirm the identity of lienholders, additional insured(s), witnesses, third parties, attorney or public adjuster representation.
 - Review the loss severity as compared to the First Notice of Loss (FNOL).
 - Explain the claims handling process and anticipated timelines.

- Provide insured or their representative(s) with their assigned claim number and the adjuster's contact information.
- Address any Emergency Water Removal Service (EWRS) guidelines, as applicable.
- Review with the insured or their representative(s) all possible coverages, limits, exclusions, and deductibles that may apply to the loss.
- Discuss the insured's post-loss duties, obligations, and efforts to protect the risk from further damage, for example, tarp and board-up, debris removal and emergency services (mitigation / remediation).
- Advise the insured or representative(s) to protect any evidence chain of custody.
- Discuss and consider Additional Living Expenses (ALE) and/or advance claim payments as appropriate, reasonable and necessary.
- Attempt to schedule an onsite damage inspection of the risk with the insured(s) present.

Inspection Scheduling - The adjuster should determine if an onsite inspection is warranted and attempt to schedule the onsite inspection during the initial contact. It is Citizens' goal to schedule the inspection to occur within two (2) calendar days of the initial contact with the insured or their representative(s). If the inspection cannot be scheduled to occur within this time frame, a brief explanation (as to non-compliance) should be entered into the file notes. The following should be noted by the adjuster in preparing for the inspection:

- Forty-eight (48) hour notice to the insured or their representative(s), prior to inspection, is required by Florida statute.
 - Forty-eight (48) hour notice may be waived by the insured or their representative(s).
 - Prior to the inspection, the adjuster should complete a full review of the file, facts of loss and detailed policy information.

Follow-Up Contact - It is vital that the adjuster has ongoing contact with the insured or their representative(s) during the life of the claim, including the following:

- One (1) calendar day response to insureds' or their representatives' phone calls.
- Periodic status updates and anticipated future activities should be documented in the file notes.
- Notify and update insured or their representative(s) of any upcoming or scheduled events, inspections, requirements, due dates, etc.
- Communicate Citizens' ongoing expectations and policy-required duties of the insured or their representative(s).
- Clearly explain why additional information, documentation, items or actions are required of the insured or their representative(s).
- Contact the insured or their representative(s) to discuss settlement, prior to the issuance of any indemnity payments.
- Document in file notes the details of voice-to-voice and/or written communications with regard, but not limited to:
 - Full or partial payments
 - Vendor and contractor payments
 - Settlement explanations and/or coverage denials, etc.
- When closing claims, with or without payment:
 - Citizens' contact information is relayed and the process for reporting new or undiscovered damages is explained.
 - As appropriate, informal, and formal dispute resolution options are explained to the insured or their representative(s) and documented in the file notes.

Written Communication - The following requirements should be followed in the preparation and submission of written communications:

- One (1) calendar day response to insureds' or their representatives' emails.
- Five (5) calendar days to review and respond to written notifications.
- All outgoing Outlook® emails should be carbon copied to claims.communications@citizensfla.com
- Citizens approved SmartCOMM® letter and ClaimCenter email formats and letter templates should be always used for consistency.

- SmartCOMM letter templates should be used when available.
- Specific claim-related information, as required on a claim-by-claim basis, should be added to the letter template in sections where revisions are allowed.
 - Consider the need for a *Reservation of Rights* (ROR) letter if a coverage question arises during the investigation. This is typically a stand-alone letter and should not be combined with any other written communications (i.e. *Request for Information* (RFI), etc.) unless other business unit protocols deem otherwise.
 - Letters are to be addressed to the named insured(s), any additional insured(s) as listed on the policy, and insured's representative(s):
 - Letters should be mailed separately to each additional insured(s), including a spouse, unless the spouse and/or the additional insured(s) reside in the same household.
 - This includes system generated letters, i.e., Bill of Rights/Initial Duties letters
 - When an insured is represented by an attorney and/or a PA, (including a Power of Attorney) with supporting documentation downloaded in the ClaimCenter file documents, all written communications are to be addressed and mailed to the representative. The insured and any additional named insureds, as detailed on the declaration page of the policy, are to be copied, as indicated directly above.
 - If a letter is addressed to an Assignment of Benefits (AOB) vendor, the insured, any additional named insureds, as detailed on the declaration page of the policy and any insured representative(s) are to be copied, with letters mailed to the appropriate addressee.
 - Other individuals and parties of interest (e.g., loss consultants, and mortgage company and premium finance company representatives, etc.) are not to receive copies of written communications, unless you are directed to send by your manager/supervisor.
- Signatures on letters require the following elements, unless otherwise mandated by unit-specific protocols:

Staff Adjuster Example:

[Enter Your Name]
 Florida Adjuster's License Number: [Enter Your Florida Adjuster's License Number]
 Citizens Property Insurance Corporation
 866.411.2742 ext. [Enter Your Extension]
claims.communications@citizensfla.com

Independent Adjuster Example:

[Enter Your Name]
 Contingent Worker assigned to Citizens
 Florida Adjuster's License Number: [Enter Your Florida Adjuster's License Number]
 Citizens Property Insurance Corporation
 866.411.2742 ext. [Enter Your Extension]
claims.communications@citizensfla.com

- All settlement letters, including losses below deductible, a portion of the claim where coverage is not afforded, or full denials should include the following supporting documentation, when applicable:
 - *Final Draft with Age, Life and Condition* damage estimate (if applicable) with the current:
 - Citizens company header (*CITHDR*)
 - Opening Statement (*CIT OPEN SB1598*)
 - See [Xactimate Default Settings](#) Job Aid
 - Personal Property Inventory Form (PPIF)
 - Invoices and other documented expenses
 - Other Citizens' proprietary documents (i.e., engineer, expert, Strikenet® reports, etc.), only upon management approval
 - Mediation brochure to accompany all payments, losses below deductible, partial denials, and full denials, unless otherwise mandated by business unit protocols, policy or statute provisions
- For full denials or when a portion of coverage is not afforded, letters should cite applicable policy forms, editions and/or endorsements, specific language, and relevant dates.

- Formal communications of full denials are to be reviewed and approved by Citizens management prior to issuance.
 - If policy language is quoted in a letter, management review and approval is required.
 - Time sensitive correspondence / letters should be processed and documented in the file as required.
 - Citizens' brand and copy style requirements should be followed. The Brand and Identity Guide is located on the Intranet at: <https://intranet.citizensfla.com/brand-identity>. The Copy Style Best Practices and related guidelines are located on the Intranet at: <https://intranet.citizensfla.com/copy-style>
- Insureds are our customers and have a contractual right to receive original or copies, when represented or assigning benefits of all written communications pertaining to their claim.

Fulfilling Policyholder Requests - Depending on the type of inquiry, there are two different forms for requesting claim records. Once completed, the form should be emailed or faxed to the address or number located at the bottom of the form:

- Request for Citizens' Claims Document form – may be used when requesting claim documents such as copies of a denial letter or an Xactimate estimate.
 - This form must be sent to the insured or their representative(s) to be completed because it contains a confidentiality provision that requires a signature.
- Certified Policy Request form – may be used for requesting certified policy copies only.
 - This form may be completed by the adjuster or sent to the insured or their representative(s) to be completed.
- See [Requesting Documents](#) job aid for more information.

Proof of Loss - Most Citizen's First Party Property policy forms; residential and commercial, in the 'Conditions' section, under 'Duties of the Insured', require the insured to complete and present a Proof of Loss (POL), when it is requested in writing, by the servicing claim representative.

A POL should be requested and secured by the servicing claim representative and at management direction, in the following instances:

- Where the investigation identifies possible fraud
- When Citizens makes a written 'Request for Information' to the insured
- Dispute resolutions/settlements, i.e.: appraisals, negotiated settlements, etc.
- When the First Notice of Loss (FNOL) is given to Citizens one year or more after the date of loss
- A POL may be requested from the insured on other claims as determined by the servicing claim representative and his/her manager, on a case-by-case basis.

If a POL is required, the servicing claim representative must provide a POL form to the insured and request the completed form be returned within 60 days of receipt.

Citizens continues to evaluate claims scenarios, in which a POL should be requested and may develop additional standards regarding the use of POLs in the future.

INVESTIGATION

Utilizing information secured through initial contact with the insured or their representative(s), the adjuster should conduct an appropriate, complete and timely investigation to determine the direct and proximate cause and origin of the loss for a full, fair and prompt resolution of the claim. (i.e., not "pipe break or "supply line break," but rather include what caused the break).

The insured or their representative(s) must exhibit the insured property and all damages related to their claim. Thus, the insured must allow for the inspection of all damaged property and cooperate with our investigation of the cause of loss. As well the insured must make themselves available to speak directly with our adjuster to discuss the details of their loss.

Upon reassignment, the handling adjuster should complete an independent review of the facts of the loss and make any necessary modifications to the investigation plan and claim documentation.

Review Loss Details/Action Plan -

- Thoroughly review information contained in the FNOL.
- Review local, state and/or federal laws and statutes that may be applicable.
- Formulate and document the file with an initial 'plan of action' based on facts of loss received.
- Determine any necessary escalations or referrals to Citizens' internal departments.
 - If referrals to other resources or units are deemed necessary, the adjuster should complete the referral as soon as the need is recognized.

Review Loss History - Search and review ClaimCenter and ISO® reports for potential matches by insured name and/or property address for prior, duplicate, or existing claims. A file note should be entered to address prior claims, any potential overlap, or lack of prior or related claims matches.

Onsite Inspection - Field inspections are an integral part of the claim's investigation process. Adjusters should take great care when determining the cause of loss. Facts determined should be accurately captured and memorialized through:

- Potential witnesses and third-party contributors
- The need for experts or engineers
- Subrogation and Salvage potential
- Unable to access damages (ex. shrink wrap or tarp)
 - If there is shrink wrap/tarp covering the roof or a portion of the roof, it may be impractical to remove or have it removed. In those cases, make sure to photographically document the area and attempt to determine when it was installed. If possible, attempt to access the attic area to fully document the underlayment, with photographs paying careful attention to what the insured(s) identifies as leak area(s) to the interior. If it is necessary to professionally remove the shrink wrap/tarp, discuss with a Citizens' supervisor.

The adjuster should also:

- Obtain Pre-Inspection Questionnaire in the event of a public health crisis and as mandated by business unit or Claims Governance protocols.
- Identify by name and document all parties present at the inspection (including tenants or neighbors).
 - Obtain the business name, contact information, and license numbers of anyone present at the inspection assisting the insured with the adjustment of the claim and in what capacity they are assisting (i.e., PA, loss consultant, contractor, property manager, etc.).
- Consider the need for a ROR letter if a coverage question arises during the investigation.
- Fully discuss with the insured or their representative(s) and document any coverage concerns.
- Secure any supporting documentation relevant to the claim.
- Secure police, fire, weather, and other relevant expert reports as needed.
 - Reports are to be reviewed within five (5) calendar days of receipt.
- Determine ALE/FRV and personal property exposures:
 - Including the need for advanced payments for temporary housing and other emergency needs.
- Obtain applicable legal documents such as tax liens, mortgages, sales/purchase agreements, home inspection reports and condo bylaws.
 - Confirm through the Property Appraiser's office if/when ownership is in question.
- Determine if any collateral damages may exist for liability exposures.
- Determine, in consultation with management, if a Proof of Loss (POL) should be requested from the insured as set-out in the POL section of written communications.
- Adhere to the ethical requirements of all adjusters and PAs as required by the [Florida Administrative Code 69B – 220.201](#).
 - Note: An insured may ask for a recommendation regarding what contractor or other vendor to use to make repairs to the insured property. In addition to the prohibition against steering claimants to vendors found in [Florida Administrative Code 69B – 220.201](#), any vendor referral is inappropriate and a handling adjuster is prohibited from referring an insured to a specific vendor or a specific vendor to an insured under any circumstances.

Follow-up inspection(s) may be required:

- If any potentially covered damages are hidden from view at the initial inspection
- If there is a need for outside experts (i.e., engineer, expert, etc.)
 - Manager approval is needed for outside expense budget
- If additional damages are claimed or discovered
- To determine release of the holdback of recoverable depreciation
- If a dispute arises over scope of damages, estimate, or cause of loss

Task assignments for initial inspection and reinspection should be made within four (4) hours of the recognition of the need for a field inspection.

Recorded Interview (RI) – The adjuster should secure the Recorded Interview (RI) at first contact, time of inspection; or as soon as facts arise that would reasonably require an RI. In regard to taking an RI, the adjuster should:

- As a resource, access the Adjusters Portal on the Citizens website for Citizens' Recorded Statement Guides and Standards: [Recorded Statements - Adjusters - Citizens Property Insurance Corporation \(citizensfla.com\)](https://citizensfla.com/Recorded-Statements-Adjusters-Citizens-Property-Insurance-Corporation).
- Always obtain permission and acknowledgement from all parties present to record the interview.
- Secure the RI(s) from the person(s) most knowledgeable about the facts surrounding the cause of loss, the mitigation of the loss and the related and unrelated damages.
- Ask focused questions material and relevant to the investigation and follow-up questions based on the answers provided by the person(s) being interviewed.
- Avoid leading the interviewee or supplying answers to the question(s) being asked.
- Not ask questions which are solely meant to harass, embarrass or "badger" the examinee
- Identify by name and gain permission from all parties present during the recording that contribute to the RI.
- Once the facts of the loss, cause and origin and resulting damages have been obtained, and a third party has solicited, initiated, or presented a claim without the assistance of the insured, the handling adjuster should consider asking the insured the following questions, **but only after all the facts of the loss have been obtained:**
 - How and under what circumstances did you meet your representative?
 - Who is the point of contact for your representative(s)?
 - What is the representative's role in handling your claim?
 - How has the representative(s) helped you in the claims process?
 - Is there anyone else involved in the handling of your claim?
 - Who?
 - What role did these additional representative(s) play?

The adjuster is required to take an RI for the following types of claims:

- Fire
- Large Loss
- Theft or mysterious disappearance
- Motor vehicle impact
- All non-weather-related water damage claims that involve:
 - Long term and/or repeated discharge / seepage
 - Slab water leaks
 - Leaks with no visible damage
 - AOB claims
- Destructive tear-out of damaged property unrelated to Reasonable Emergency Measures or permanent repairs completed prior to Citizen's inspection
- Roof damage
 - Except when a result of a catastrophic event, unless specific unit protocols deem otherwise.
- Vandalism with vacancy or occupancy issues
- Sinkhole and catastrophic ground cover collapse

- Liability and Medical Payments claims
- Late notice claims
- Mitigation/Remediation issues
- Multiple or similar prior and/or current losses

At the insured or their representative(s) request for a copy of the RI, the adjuster may provide a digital media file and or transcription (whichever is available).

Note: If a required RI is **not** conducted, the adjuster should provide reasonable rationale in the ClaimCenter file notes as to why the interview did not occur. Management approval for waiving a required RI **must** be documented in the file notes.

Internal Resources/Communication - Referrals should be submitted in a timely manner to utilize the expertise of Citizens' specialized units. The adjuster engages internal resources, as necessary, based on the facts of the claim. Timely referral or consultation with these units is essential; therefore, the adjuster should immediately recognize the necessity and act accordingly. The file notes should be documented with the appropriate rationale. Potential internal resources include:

- Special Investigations Unit (SIU)
 - Recovery (Subrogation/Salvage)
 - Claims Legal/Appraisal/Mediation
 - Underwriting
 - Contents Unit
 - Burglary, Lightning & Theft (BLT) Unit
 - Loss Assessment Team
 - Late First Notice of Loss (FNOL) Team
 - Emergency Water Removal Service (EWRS)
 - Managed Repair Program (MRP)
 - Drone Services
 - Assignment of Benefits (AOB) Compliance
 - Liability (3rd Party Claims)
 - Pre-Suit Dispute/Notice of Intent (NOI)
- **Special Investigations Unit (SIU)** – Citizens is required by statute to investigate, and report suspected insurance fraud. The adjuster should review claim facts to identify any industry accepted indicators (red flags) that raise awareness of potential insurance fraud. Adjuster responsibilities are as follows:
 - Utilize the SIU referral form in ClaimCenter within one (1) calendar day of recognition of any fraud indicators.
 - Ensure that all available documentation, including estimates, photographs and reports are uploaded to the claim file at the time of the referral.
 - Maintain full file ownership unless there are business unit protocols to follow for escalations to another adjuster level. This includes:
 - Continue with additional claims handling / investigation as required.
 - Managing expert, legal or other collateral resources and their service invoices.
 - Notify SIU of any significant events or decisions that may impact their investigation.
 - Work in unison with SIU to ensure all information is obtained to make an informed claim decision.
 - Analyze the materiality of the SIU findings and render the appropriate claims decision based on all facts.
 - Request an Examination Under Oath (EUO) as appropriate and directed by management.
 - Forward to SIU any correspondence received from another carrier's designated SIU, requesting file material, pursuant to Florida's Immunity Statutes 626.989(4)(d).
 - Should ISO reports identify claims with other insurance carriers, that are material to the loss being adjusted and the potential of misrepresentation exists, the adjuster should collaborate with SIU to obtain the related claim information.

- Please refer to the NICB Fraud Indicator Tips by logging into the Adjusters Portal on the Citizens website and clicking on these links for:
 - Property Fraud:
 - <https://www.citizensfla.com/documents/20806/109374/NICB+Property+Fraud+Detection.pdf>
 - Catastrophe Fraud:
 - <https://www.citizensfla.com/documents/20806/109374/NICB+Catastrophe+Fraud.pdf>
- **Subrogation** - The adjuster is responsible for recognizing any potential third parties that may be legally liable or a party to the loss. The adjuster should:
 - Complete the Subrogation Referral within ClaimCenter within one (1) calendar day of identifying the subrogation opportunity.
 - Take steps to preserve and document evidence with photographs as well as obtain all information necessary for the pursuit of subrogation.
 - Advise the insured or their representative(s) of their obligations regarding subrogation.
 - Ensure that the evidence chain-of-custody is protected:
 - The assigned recovery adjuster will provide shipping labels to the handling adjuster for evidence that is collected and will coordinate the pick-up of larger evidence items.
 - Work in unison with the recovery adjuster during the referral and investigation process, including automatic system-generated referrals.
- **Salvage** – The adjuster is responsible for recognizing salvage potential of any property or material that may have value. The adjuster should:
 - Consider buy-back option as a priority. This allows the insured to retain or buy-back the item, in turn, offsetting the amount of the claim settlement for that item.
 - Advise of Citizens' intent to take possession of the salvage items if the buy-back option is rejected by the insured or their representative(s).
 - Submit a salvage referral within ClaimCenter and:
 - Advise the agreed buy-back dollar amount
 - Provide photographs of the item(s) to be picked up
 - The assigned recovery adjuster will determine the appropriate method for salvage pickup if the insured does not wish to retain the item(s).
 - Work in unison with the recovery adjuster during the referral.
- **Claims Legal Services, Appraisal and Mediation** - Appropriate referrals should be made to management as they arise during the handling of a claim.
- **Underwriting Department (UW)** - should be notified if and when the loss investigation reveals an unusual or adverse characteristic with the risk by completing the Informational Underwriting Risk Referral via the ClaimCenter Referral template. Below are general guidelines for referring Personal Lines (PL) and Commercial Lines (CL) adverse risks to the Underwriting Department, including but not limited to:
 - Occupancy/Ownership concerns
 - Vacancy
 - Tenant occupied HO-3's (PL only)
 - Number of families and/or units to appropriate for the policy type (PL only)
 - Deceased Insured, named Insured or Additional Insured(s)' correction
 - Property sold or in foreclosure, mortgage company correction, lien satisfaction
 - Threat of violence by the Insured or tenant
 - Use
 - Business conducted on the premises (PL only)
 - Including Assisted Living facilities
 - Multiple habitational dwellings on one parcel (PL only)
 - Transitory lodging, i.e., Airbnb®

- Conditions
 - Deterioration or lack of maintenance
 - Code violations
 - Any illicit / illegal drug operations
- Hazards
 - Liability exposures including, but not limited to: (PL only)
 - Unfenced/unenclosed pools or appliances
 - Livestock
 - Rare or dangerous animals
 - Trampolines, skate and bike ramps
 - Deteriorated walkways, driveways, steps, or porches (includes CL)
 - Visible sinkhole, settling or ground collapse damage (CL only)

Underwriting inquiries can be addressed to Underwriting.Inquiry@citizensfla.com (internal use only, not to be shared with Agents, Insured(s) and/or their Representatives).

Note: Payment related lienholder/mortgage changes are to be addressed by the handling adjuster with supporting documentation uploaded to ClaimCenter, followed by the submission of an Informational Underwriting Referral.

- **Contents Unit** – can be utilized to handle personal property items being claimed by the insured. Additionally, this unit can assist in the evaluation of the specialty items (i.e., a rare oriental rug), as well as provide a comparative analysis of cleaning service quotes submitted by the insured.
- **Burglary, Lightning & Theft (BLT) Unit** - handles burglary, lightning, and theft claims (Coverage A, B & C) with minimal loss. These claims typically do not require a field investigation and are referred upon FNOL. If a loss that meets the criteria for this unit is received by a field unit, dispatch should be notified, and the claim will be reassigned as appropriate. If a loss is later determined by the BLT Unit to involve excessive physical property damage, vandalism, or malicious mischief, it may be referred back for reassignment to the appropriate field claim unit.
- **Loss Assessment Team** - A claim file should be referred to the Loss Assessment Team when an insured owes a financial obligation to their property owners association for loss to common property owned by all members collectively. Normally all Loss Assessment claims are handled by the Centralized Claim Unit (CCU) and should be referred as needed.
- **Late First Notice of Loss (FNOL) Team** - handles claims that are reported one (1) year or more after the reported date of loss. These claims require specific *Reservation of Rights (ROR)*, *Proof of Loss* forms (POL) and RFI that the insured or their representative(s) provides in support of their claim. The majority of these claims require working closely with Legal and Underwriting to ensure proper claims handling. Therefore, it is necessary that these claims are identified early and referred promptly. If a late notice claim is identified, the adjuster should:
 - Notify a manager, supervisor or team lead
 - Prepare the file for transfer by:
 - Updating the claim file notes with all pertinent information, activity, photographs and documentation gathered to that point.
 - Submit any outstanding Loss Adjustment Expense (LAE) invoices for payment.
- **Sinkhole Management Team** – Handling and management of Sinkhole related claims will be consistent with *Citizens' Plan of Operation* and comply with *Citizens Best Claims Practices & Estimating Guidelines*, *Sinkhole Claims Handling Addendum* and relevant Florida statutes and regulations. Sinkhole adjusters and management staff will be knowledgeable of, and follow, relevant statutes as outlined below:
 - 627.706 – Sinkhole insurance; catastrophic ground cover collapse definitions

- 627.707 – Investigation of sinkhole claims, insurer payment, nonrenewal
- 627.7072 – Testing standards for sinkholes
- 627.7073 – Sinkhole reports
- 627.7074 – Resolution of disputed sinkhole insurance claims
- **Network Emergency Water Removal Service (EWRS) & Managed Repair Program (MRP) –** Citizens has contracted with Contractor Connection® to provide a network of licensed and credentialed contractors for Emergency Water Removal Service and Managed Repair Program (MRP) services, subject to the covered peril of Nonweather Water (NWW) losses, on HO-3 and DP-3 policies with these applicable endorsements:
 - **HO-3**
 - Emergency Water Removal Service (EWRS) is Form **CIT 04 85**
 - Managed Repair Program (MRP) is Form **CIT 04 86**
 - **DP-3**
 - Emergency Water Removal Service (EWRS) is Form **CIT 05 85**
 - Managed Repair Program (MRP) is Form **CIT 05 86**

Citizens' EWRS and MRP Network Contractor program is voluntary, and the insured may opt-out of either program.

- However, if the insured opts-out of the Managed Repair Program before any services commence, the insured is subject to the following:
 - The insured is limited to a \$10,000 sublimit coverage amount, inclusive of Reasonable Emergency Measures up to \$3,000. In no event shall more than the total sum of \$10,000 be paid if the insured opts-out of the Managed Repair Program including any costs incurred for Reasonable Emergency Measures.
 - \$3,000 of the Coverage A limit of liability is the maximum amount payable for Reasonable Emergency Measures, for services provided under urgent or emergency circumstances to repair, restore, replace or protect property, from additional damage, pursuant to [Florida Statute, Section 627.7152\(2\)\(a\)\(7\)\(c\) \(2019\)](#).
 - This limit is regardless of the number of mitigation companies or services being rendered for Reasonable Emergency Measures.
- **Emergency Water Removal Services (EWRS) -**
 - Provides **free** water extraction and drying services, offered at FNOL to the insured.
 - May be initiated by the adjuster after FNOL, if deemed necessary
 - Is a **free** service, not subject to the insured's deductible and it paid directly to the vendor as an expense
 - No coverage determination has to be made for the insured to be eligible to participate in this program.
- **Managed Repair Program (MRP) -**
 - Is offered to the insured as an *Adjuster Referral* through ClaimCenter, **after** the adjuster determines coverage, completes their scope, and estimate in Xactimate and the insured signs the mandatory consent form
 - After declining, the insured may opt into the program at any time with Citizen's consent and under these conditions:
 - Return any previous payments regarding the adjustment of the claim to Citizens'
 - The insured has not commenced any repairs to the property
 - The insured has not entered into an agreement with a third-party contractor

Note: See [Managed Repair Program Claim-Handling Process Guide](#).

- **Drone Services -** Citizens has contracted vendors that will provide drone inspections when approved by a Supervisor or Manager (see [Requesting Drone Assignments for Personal Residential](#)

[Claims User Guide](#) for instructions). If there is a need for a drone inspection on a Personal Lines claim, complete the following:

- Send an *Activity* to management requesting approval.
- Once approved, create the drone assignment in the ClaimCenter *Vendor Services* tab, including any special instructions.
- The drone vendor will accept or decline assignment within 24 hours.
- The vendor will complete the inspection and submit the photo report and invoice within five (5) calendar days of assignment.
 - Report can be viewed in the *VS Document* tab in ClaimCenter.
- Invoice should be paid and assignment closed within 14 calendar days of receipt. (See Expense/Vendor Payment section).

Note: The workflow for **Commercial Lines** and **Catastrophe** drone assignment request differs from Personal Lines. Consult with management for direction.

- **Assignment of Benefits (AOB)** – is prohibited in whole or in part, on any post-loss insurance benefit under any property (commercial and personal lines) insurance policy issued on or after January 1, 2023.
 - If the policy was issued before January 1, 2023 the assignment will be valid and subject to the AOB Team for compliance review (business as usual).
 - If the policy was issued on or after January 1, 2023 no assignment agreement will be valid.
- **Liability (3rd Party Claims)** - In a third-party claim, the claimant is a person or entity who suffered property damage, personal injury, or both, because of the actions or failure to act on the part of a Citizens policyholder and is seeking payment from the Citizens policyholder. If during the first party investigation, a third-party exposure is recognized, it may be necessary to create a third-party claim. Prior to creating a new claim, management approval is required. If unsure whether a new claim is a liability claim or includes a potential liability claim, management should contact the Liability team with questions at: DG_LiabilityManagers@citizensfla.com.
- **Pre-Suit Dispute/Notice of Intent (NOI)** – Effective for policies written or renewed after July 1, 2021, Senate Bill 76 mandates a claimant must provide Department of Financial Services (DFS) with written notice of intent to initiate litigation at least ten (10) **business** days before filing suit. The notification must be made on a form provided by DFS and may not be given before the earlier of Citizens' denial of coverage or the expiration of the 60-day period to adjust a claim under s. 627.70131, F.S. The notice must detail the alleged acts or omissions of Citizens giving rise to the suit. If Citizens denied coverage, the notice must include an estimate of damages, if known. If Citizens did not deny coverage, notice must include a pre-suit settlement demand that itemizes damages, attorney fees, costs, and the disputed amount. The notice may include supporting documents. The notice and supporting documents are admissible only in a proceeding regarding attorney fees. A court must dismiss without prejudice any claimant's suit if the claimant has not complied with the requirement to provide ten (10) **business** days' notice of intent to initiate litigation.

Citizens must respond in writing within ten (10) **business** days after receiving notice of intent to initiate litigation. If coverage was denied, Citizens must either accept coverage, deny coverage, or assert the right to re-inspect the property within fourteen (14) **business** days. If the notice alleges Citizens did an act other than denying coverage, Citizens must respond by making a settlement offer or requiring the claimant to participate in an appraisal or another method of alternative dispute resolution (ADR). If appraisal or ADR is not concluded within ninety (90) days after the 10-day notice of intent to initiate litigation, the claimant may immediately file suit.

- Adjusters must respond appropriately to the NOI and document *ClaimCenter* with required information. Refer to the [Pre-Suit Disputes Notice of Intent \(NON-AOB\) Process Guide](#).

External Resources – External resources may be utilized based upon unit-level protocols. Such referrals may be necessary to assist in the timely and accurate loss investigation. Outside resources include but are not limited to:

- Structural and geotechnical engineers
- Personal property experts and valuation companies
- Cause and Origin evaluation
- Specialized and/or technical repair and/or evaluation firms
- Contractors and/or mitigation companies utilized as experts
- Ladder or roof assists
 - Expense should not exceed \$250 unless approved by management.
- Outside or specialized legal resources
- Appraisers and construction experts

The adjuster should examine Citizens' procurement requirements and use the following guidelines when considering external resources:

- Management approval should be obtained prior to engaging an external resource if the anticipated costs exceed the adjuster's expense authority.
- Document the rationale for use of the external resource to include:
 - Specific services or duties directed
 - Anticipated costs and/or budget

RESERVES

Accurate and timely reserving is a top priority at Citizens. Claim reserves under the coverage exposure are based upon the anticipated Gross Claim Amount (GCA) after application of the deductible, coverages and special limits or other conditions affecting payment. The adjuster should consider the following:

- Review, set, update, and appropriately document the claim file with supporting rationale when creating a coverage exposure and adjusting reserves under the *Reserve Analysis and Recommendation Activity* header. Review the reserves and update the initial reserve as new information relevant to the loss is obtained.
- Reserves for indemnity and LAE are reviewed and adjusted (increased or decreased) as required throughout the life of the claim as related information becomes available.
- Adjust reserves in accordance with business unit directives.

Initial Indemnity Reserves – are required by the handling adjuster on all new losses. The adjuster should use the following criteria in setting initial indemnity reserves:

- Reserve should be set:
 - Within 10 calendar days after claim assignment or
 - Within five (5) calendar days after the inspection, whichever occurs first
 - For Commercial losses, the initial \$1,234 reserve is set upon assignment, and updated within seven (7) calendar days after the last day of the final inspection (i.e., multiple buildings or units). In the event of a Catastrophe, indemnity reserve is to be set at \$10,000, unless deemed otherwise by Citizens management.
- Reserves should be based on:
 - FNOL facts of loss
 - First contact additional information
 - Severity
 - System-generated reserve

Subsequent Indemnity Reserves - The adjuster should use the following criteria in setting subsequent indemnity reserves:

- Reserves should be adjusted:
 - Within five (5) calendar days after completing the initial and any subsequent inspection
 - Indemnity reserves should be adjusted within five (5) calendar days after obtaining any new information that is relevant to claim loss severity.

Expense (LAE) Reserves – should follow the same criteria as outlined above in Initial and Subsequent Indemnity Reserve Guidelines, with the following exceptions:

- Set within five (5) calendar days after recognition of the need for an Expert or Task assignment
- Management approval is required if the adjuster's authority is exceeded.
- Commercial expense reserves are set at \$660 upon assignment and adjusted within seven (7) days after final inspection. In the event of a Catastrophe, expense reserves are set at \$1,500.

COVERAGE

Coverage Analysis / Review - The adjuster reviews all applicable policy limits, forms, endorsements, exclusions, provisions, limitations of coverage, statutes, and regulatory requirements to determine all coverages available for the loss. The adjuster affirms coverage, partial coverage, or the lack thereof with the insured or their representative(s). Managers/supervisors are consulted as deemed necessary.

- Upon reopen or reassignment, the coverage position should be reevaluated and supported with rationale if the position differs from any previous analysis.
The file documentation should be straightforward to interpret and support the overall coverage position.

SCOPE

The telephone or field investigation-based *scope of loss* will be determined by the unit-level procedures. Supporting photographs and sketch diagrams are to be imported with the *Xactimate* estimate. The file should be well-documented in file notes to support the scope rationale.

- Estimates are to be written for all covered damages, even when the amount of damage exceeds the limit of liability, special limit, or sub-limit, where applicable, unless otherwise mandated by unit-specific protocols.
- Non-covered damage estimates are not permitted unless approved by management.
- Photographs, scope, and diagrams are required on all onsite inspections when coverage is afforded unless business unit protocols deem otherwise.
 - Document non-covered and unrelated damages in *ClaimCenter Notes*.
Note: Diagrams are not required for non-covered Commercial claims.

Photographs - are used to record damage, or lack thereof, and support the cause of loss. Photographs should be clear, not blurry, be annotated, detailed, and include:

- Date taken and by whom
- All available exterior elevations
 - Front elevation with address verification is the only requirement for condominium risks.
- Verification of the risk address
- Support of the damages including damage close-up and room overviews
- Undamaged areas relevant to the location of the direct physical damage, i.e., undamaged cabinet faces, continuous surfaces, etc.
- Cabinet interiors, drawer side view, dovetail versus staple construction, etc.
- Correct labeling, correlating to the Xactimate sketch
- Roof slopes and pitch for applicable causes of loss including:
 - Roof layers, drip edges, gutters, vents, jacks

Diagrams - Are required in Xactimate sketch and should follow the roof and/or risk floor plan relevant to the damages found and/or reported. **Pod diagramming is prohibited.** Diagram should include:

- Measurements +/- 3" of actual dimensions
- Include ceiling height adjustments when appropriate
- Doors, openings, reference areas and reference blocks each, 32 square feet or greater with areas under, behind and above, factored out appropriately
 - Reference areas/blocks include tub and tile surrounds, cabinets, and built-ins, etc.
- Point of origin notated
 - Point of origin to be shown on the diagram or noted within an expert's report.
- Exterior elevations when relevant to the loss or damage.

- Aerial imagery is an acceptable alternative to roof sketching in Xactimate if the damage and point(s) of origin have been verified by the adjuster's inspection and photographs.
 - During catastrophe events, aerial imagery is auto generated in the Xactimate assignment.
 - For non-catastrophe claims, aerial imagery can be requested, but management approval is required.

Personal Property Damages - are addressed in the claim file when coverage is afforded, and the facts suggest an exposure exists. If the insured or their representative(s) asserts a personal property claim or the investigation suggests damages relevant to the cause of loss:

- Conduct a physical inspection, if needed.
- Determine if a Content Unit referral is appropriate.
- Consider policy provisions regarding Personal Property (Coverage C) Limits and Exclusions
- Complete Citizens' *Personal Property Inventory Form* (PPIF). Insured should sign the form if completing it without the adjuster's assistance. The PPIF should include:
 - Item description, brand, serial, and model number
 - Cost
 - Age
- Consider alternative forms for smaller personal property claims or ones adjusted through verbal (telephone) reporting.
- Provide supporting ownership documentation as reasonable. This may include:
 - Receipts, credit card statements, cancelled checks
 - Photographs
 - Instruction manuals, warranty documents
 - Independent appraisals or other methods / forms of documentation for high value items may be appropriate.
- Consider utilization of XactContents as an alternate to the Citizens' PPIF.
- Determine depreciation based on age and condition on a per-item basis.
 - **Global depreciation is prohibited.**

Loss of Use (ALE/FRV) - Discussion should be held with the insured or their representative(s) when coverage is afforded, and the facts suggest an exposure exists. File notes should support rationale. If the insured or their representative(s) asserts a claim, consider the following:

- Home habitable?
- Functioning cooking/bathroom facilities?
- Hazardous conditions?
- HVAC functional?
- Medical conditions?
- Loss of Use is payable as incurred by the insured and comparable to the insured's normal standard of living.
 - Consider an advance payment when the risk is not fit to live in.
 - Additional Living Expense or Loss of Use is generally payable during the reasonable period of restoration needed to return the insured property to a habitable condition.
 - Loss of Use Worksheet with supporting documentation should include normal and increased cost of living expenses, such as:
 - Monthly rent, hotel / motel expenses
 - Increased utility expense
 - Increased mileage to / from temporary living accommodations
 - Increased food, meal, and emergency household expenses
 - Pet boarding
- *Fair Rental Value* (FRV) is payable if a covered loss makes the part of the insured risk that is rented, or held for rent, not fit to live in.
 - The payment should be for the shortest time required to repair or replace that damaged section of the risk.
 - This coverage is limited to twenty-four (24) consecutive months from the date of the covered loss.

- The following resources should be considered when calculating Fair Rental Value:
 - Online rental valuation or local rental listings
 - Preferred housing vendors
 - Signed lease with supporting documentation
- The period of restoration should be determined at the onset of the claim and managed until repairs are completed or they may stop as soon as a portion of the repairs are completed. If an extension beyond the reasonable period of restoration is requested, the reason should be verified and documented in the file notes.
 - The adjuster should include an initial Period of Restoration agreement or understanding with the insured, their representative(s) and/or servicing contractor.
 - The file notes should be updated appropriately throughout the ALE/FRV process.

TECHNICAL ESTIMATE

- Citizens currently utilizes the Xactimate Estimating Program to assist in the preparation of property damage estimates. All estimates should be written in a line-item format and categorized into individual rooms with no 'lump sum' categories.
- All estimates (excluding mold or comparative) should be submitted using the Citizens-approved XactAnalysis® protocols.
- After the inspection / assessment of dwelling and/or building losses, the completed undisputed damage estimate with photographs and sketch should be uploaded as follows. Reasonable rationale should support any delay if these requirement(s) cannot be met. (i.e., awaiting expert report relevant to coverage or exposure).
 - For Personal Lines - within five (5) calendar days
 - For Personal Lines Large Loss - within 21 calendar days for estimates greater than (>) \$50,000
 - For Commercial Losses, the requirement is for all closing documents to be uploaded after completion of the final inspection:
 - Seven (7) calendar days or less for losses up to \$999,999
 - Fourteen (14) calendar days or less for losses of \$1 million or above, unless extended time is approved and noted by Citizens management.
 - See *File Management Phase* for documenting claim file activities in XactAnalysis
 - If additional time is needed to comply with the above time service requirement, it must be approved by the commercial claim manager providing oversight. In the event of a catastrophe, this time requirement may be modified by the commercial department.
 - Any requests for estimate revisions should be processed and submitted within two (2) calendar days unless mandated by specific unit protocols.

Note: For an obvious total loss and relevant to the *Valued Policy Law* (§627.702), when subrogation/recovery is not viable, an *RCT Express*® valuation report can be utilized in lieu of an itemized Xactimate estimate. The adjuster should provide reasonable rationale with management approval documented in the ClaimCenter file notes.

Insured's Submitted Estimates and Bids - Contractor's itemized estimates, invoices and contracts should have a comparative line-item estimate completed by the adjuster to verify the correct pricing and cost evaluation is being used.

- Any submissions should be reviewed and addressed within three (3) calendar days of receipt.
- If upon completing the comparative estimate, the contractor's bid and/or itemized estimate is deemed to be acceptable, the agreed amount should be added to the final Xactimate® estimate as a single line-item entry with an Xactimate line-item note explanation.
 - The comparative estimate is to be uploaded into ClaimCenter documents.
- A file or Xactimate note should be added to explain the cost comparative analysis.
- For single line invoices, the *Final with Age, Life and Condition* estimate does not need to be included in the settlement package. A copy of the invoice, upon which the settlement is based, should be attached.

Note: Comparative estimates are not required for the *Emergency Water Removal Services* and *Managed Repair Program*.

Estimate Line-Items - It is recommended and preferred that all Xactimate material and line-item descriptions not be manipulated, changed, or revised. If a line-item description is determined to be ambiguous, it is recommended that an Xactimate note is entered to support the line-item. Adjusters should consider the following when preparing an Xactimate estimate:

- **Price List** – Utilize the default Xactimate Assignment Received price list aligned to the appropriate risk zip code.
 - Reopens, supplements and/or disputed claims may require a more current price list for new and/or adjusted line-items aligned to the period-of-time that evolved from the time of the initial estimate.
 - Consult with management for direction, as needed.
- **Repair versus Replace** - The estimate should include labor and materials relevant to the direct physical damage incurred.
 - Adjustments should be considered between reparability versus replacement. The adjuster should use care regarding the potential for undamaged items, duplication of items and overlap of estimate items.
 - Material Quality – It is vital that the adjuster reviews line-item definitions for each quality style to determine the closest matching replacement product.
 - Material grade ratings utilized other than *Average* grade should be explained in the Xactimate or file notes and supported with photographs.
- **Labor Hours** - Labor assumptions are included in most Xactimate line-items. Labor hours to supplement a line-item are normally not permissible. If there is an exception, the adjuster should support the inclusion with photographs and an Xactimate line-item or file note.
 - Utilize Xactimate line-item descriptions to determine the labor assumptions included in the trade.
- **Supervisory Labor Hours** – are strictly prohibited unless unique conditions exist at the loss
 - Management approval is required and must be documented if conditions otherwise warrant job supervision.
- **Contents Manipulation** – should be utilized using CON ROOM<, ROOM, ROOM>, ROOM>>
 - Avoid factoring CON LAB in normal conditions.
- **Daily and Post-construction Cleaning** - *Xactimate* line-item *Supporting Events* factors labor in daily set-up / clean-up of tools and equipment, debris removal and floor sweeping or vacuuming in the immediate workspace.
 - CLN FINALR (Final Cleaning Construction - Residential) is permissible for post-construction cleaning in the affected room(s) and is:
 - Factored by the SF of the floor area
 - Any additional cleaning should be conveyed and approved by the handling adjuster.
 - CLN LAB or CLN GN should be avoided
- **Matching / Uniformity** - adjusters should estimate damages and repairs on a claim-by-claim basis. Adjusters should consider, address, and document all factors involved, including but not limited to the repair and replacement costs of undamaged areas, uniformity and the remaining useful life of undamaged areas and Florida governing statutes. The following should be considered when addressing uniformity:
 - Closed doorways and other natural breaks
 - Continuous or vertical runs of tile, wood, or laminate flooring
 - *State of Florida Matching Statute 626.9744*, which can be found at: <https://www.flsenate.gov/Laws/Statutes/2011/626.9744>
Note - Matching is not applicable in commercial losses
 - Cabinets:
 - Attempt to match damaged section with like kind and quality.
 - Rebuild boxes, reuse doors and/or faces, reface, replace doors only, etc.
 - Detach and reset undamaged cabinet hardware when applicable.
 - Siding:
 - Attempt to match damaged section or elevation with like kind and quality.

- ITEL® should be utilized to determine product availability by manufacturer, style, name, and other same physical specifications, utilizing the SDG NSP series line-item codes in Xactimate.
- Harvesting from an alternate elevation
- Floor Covering:
 - Doorways with closable doors
 - Transition strips
 - Staircases, steps, or multi-levels
- Paint:
 - Corners, door openings (with or without doors), trims or moldings
 - Material transitions such as drywall to tile
- **Nailable Surfaces** – Will provide a surface to mechanically attach a base sheet or other components (such as decking, sheathing, or sub-flooring). Consider including them in the scope only when damaged by a covered peril.
- **Remediation (Water)** - Adjusters should consider the following when estimating for remediation of water intrusion:
 - If professional water mitigation services have been initiated, (excluding Emergency Water Removal Service), the adjuster should contact the water mitigation company to secure photographs, drying logs and the itemized invoice for services rendered.
 - A comparative estimate should be written to support if submitted charges are reasonable and customary.
 - If water mitigation efforts were completed by the insured or occupant, and the home has no visible wet surfaces upon inspection, the adjuster should write a labor estimate (LAB LBR) and consider materials purchased and/or drying equipment rented, based on insured-provided receipts.
 - If structure components are wet upon inspection, the adjuster should advise the insured or their representative(s) of his/her duties to mitigate, verbally and in writing, and address appropriate mitigation efforts in an Xactimate estimate.
- **Remediation (“Fungi,” Wet or Dry Rot, Yeast or Bacteria)** - If mold, mildew and/or rot is present, the adjuster should notify the insured or their representative(s) of their duties to mitigate any further damage. Adjusters should also consider the following:
 - A Certified Mold Specialist/Hygienist must be used to write a protocol prior to the onset of mold remediation for areas of mold-contaminated matter greater than 10 square feet.
 - The \$10,000 mold limit is the most we will pay for the total of all loss or costs payable for Dwelling, Other Structures, Personal Property and Loss of Use coverages, afforded on a calendar year, not on a per-claim basis.
 - Please review and determine any same-policy-year losses which may offset this special limit, including any other policy conditions, limits, or exclusions specific to Mold remediation.
 - **All mold payments should be entered into the *Payment Worksheet Limits* tab under *Mold*.**
 - A *Reservation of Rights* letter should be considered, if applicable.
 - If coverage is afforded and the insured or their representative(s) has engaged a contractor or professional mitigation company (excluding the Emergency Water Removal Service and Managed Repair Programs) for the mold remediation, the adjuster should verify their estimate totals are reasonable and customary by:
 - Factoring Xactimate line-items following IICRC® S-500/520.
 - Refer to Lynx Services for a fee bill/estimate Peer Review.
 - A clearance test should always support the completion of Mold remediation services.
 - Please refer to the [Citizens EWRS & MRP Best Practices and Estimating Guidelines](#) for mold remediation services being conducted by a CAIS Network Contractor.
- **Remediation (Asbestos and/or Lead Paint)** - Asbestos and lead paint claims should be evaluated on a claim-by-claim basis.

- If these items are discovered as part of a covered cause of loss, the remediation, containment and disposal should be factored as mandated by governmental authority to facilitate repairs. Citizens management should be notified immediately upon recognition.
- **Drywall** – Adjusters should consider the following when estimating for drywall:
 - Many drywall applications include texture. Adjusters should review Xactimate line-item definitions closely to avoid duplication of texture line-items for walls and ceilings.
 - DRY 5/8 or 5/8- is the common interior ceiling application pursuant to the *Florida Building Code*. It is also used for both walls and ceiling in attached garages.
 - The adjuster should verify the drywall thickness (DRY ½ vs DRY 5/8) and use the appropriate code. The following are common examples of drywall line-items:
 - (DRY ½) Ready for paint
 - (DRY ½-) Ready for texture
 - (DRY ½+) Heavy texture, ready for paint
 - (DRY ½++) Smooth wall finish
 - (DRY FT) Hung and fire tape only
 - (1/2 H) Hung only (with no tape or finish)
 - (DRY LF) up to 2 feet (when drywall has been removed on the lower portion of the walls)
- **Paint** - Adjusters should consider the following when estimating for paint:
 - When drywall, plaster, popcorn and/or texture is replaced, sealer/primer should be applied (PNT S- or PNT S<)
 - Reasonable rationale should support when **more** than two (2) coats of paint are required.
 - While Xactimate includes some content manipulation factored into the unit cost price of paint line-items, rooms with a large number of items or with very large items may require additional personal property manipulation (CON ROOM<, ROOM, ROOM>, ROOM>>).
 - An allowance for extra masking may be appropriate in rooms with chair rails, picture rails, base and crown moldings (PNT MASKLF, MASKLFT, calculated by linear loot (LF) or perimeter ceiling (PC)).
 - Switch/outlet covers and dropping of standard light fixtures are included in the unit cost price of paint line-items in Xactimate.
 - Professional painters normally use their own, reusable canvas drop cloths to protect floors. If additional protection is required, consider PNT MASKSF calculated by the square footage (SF) of the floor and/or CON PROT by SF for the area of the manipulated contents that may remain in the affected room.
 - Exterior paint and waterproofing coverage may not be afforded on wind-only policies. Please refer to applicable policy provisions.
- **Wall and Ceiling Texture** – Adjusters should consider the following when estimating wall and ceiling texture:
 - The accepted repair technique for acoustic (popcorn) ceiling texture is to scrape and re-texture the continuous ceiling (DRY AC). When applying acoustic (popcorn) texture, the surface should first be sealed (PNT S, S-) as a separate operation to allow the proper adherence of the popcorn texture.
 - When blending/feathering texture is not feasible to reach uniformity, the accepted repair technique is to apply a smooth/skim coat (DRY TEX++) from angle-to-angle before reapplication of the primary texture.
 - Masking the PC of walls (PNT MASKLF), SF of the floors (PNT MASKSF) and light fixtures / ceiling fans (PNT MASKL- / MASKL) should be factored when applying popcorn texture to a ceiling.
- **Plaster** – Adjusters should consider the following when estimating plaster since there are many types of plaster / lath combinations:
 - Determine the correct grade and/or makeup of the wall or ceiling surfaces. If the adjuster is unable to determine the type of lath, 1/2" gypsum blue board (PLA G2) should be factored.
 - When estimating to repair an isolated area of plaster on a wall or ceiling surface, estimate for the actual square footage of repair and include for a thin coat of plaster (PLA THIN) over the entire surface of the wall or ceiling that is being replaced.

- **Wallpaper** – Adjusters should consider the following when estimating wallpaper:
 - If any portion of wallpaper is damaged, the wallpaper to all adjacent walls should be removed and replaced. Should any of the adjacent walls continue without a natural break into any adjoining room(s), the adjoining room(s) walls should also have the wallpaper removed and replaced.
 - The wallpaper price in Xactimate does not include prep work (WPR PREP) when it is installed over surfaces where the old wallpaper was located.
- **Flooring (Roll Carpet and Sheet Vinyl)** - The following methods of calculation should be used to determine the quantity of roll carpet and sheet vinyl flooring:
 - Xactimate’s Floor Wizard tool in sketch
 - The “Drop and Fill” method – should be supported with rationale in an *Xactimate* line-item or file note.
 - **Xactimate’s 15% flooring waste default for these items is strictly prohibited.**
 - The Xactimate Floor Wizard tool preferences should be set to *Use Scrap*.
 - The appropriate code to address additional layers of vinyl is FCV AVALR.
 - The vinyl flooring replacement does not include prep work (FCV PREP) when it is installed over surfaces where the old vinyl was located.
- **Flooring (Wood)** - Typically sand-in-place hardwood floor refinishing involves two coats of finish which is included in Xactimate FCW FIN / FIN+ codes.
 - The adjuster should support if additional coats of finish (FCW FINADD) are required.
 - Adjusters should consider a dustless sanding upcharge (FCW FINDS) in order to minimize the amount of dust inherently created in this trade to avoid the necessity for additional post-construction clean-up.
 - Designs or diagonal installation may require additional cost. Consider adding for diagonal installation such as FCW (FCT, TIL) DIAGADD.
 - When carpet is laid over hardwood and both are damaged to the extent that they cannot be cleaned or repaired:
 - Replace the carpet
 - Repair hardwood with like kind and quality
- **Tile, Marble, Stone** - The adjuster should consider the following when estimating these items:
 - Mortar beds (FCT MORTAR) and cement backer board (FCT BCEM1/4) are typically not included in Xactimate tile line-items and should be considered when necessary.
 - Additional labor cost may be required when removing tile, mortar, thinset or mastic from a concrete slab, terrazzo, or other solid foundation substrate. Factor such codes as FCT CNCRM when necessary.
 - Discolored grout can be replaced, repaired and/or cleaned (TIL, FCS and FCT GROUT).
- **Abandoned Flooring Surfaces** – If any floor covering(s) is/are placed over a previous floor covering, the underlying floor covering is considered abandoned. Any abandoned flooring may reasonably require a repair, if damaged. However, adjustments for uniformity or matching should not be considered to the abandoned floor covering.
- **ITEL Utilization** – ITEL should be utilized for the replacement of roll carpeting, vinyl sheet goods, hardwood, laminate flooring, and when one or more of the following evaluation criteria exist:
 - Siding replacement
 - 100 SF or more of the same floor covering in the affected area(s)
 - Floor covering other than Average grade (AV), without documentation detailing the quality rating
 - A dispute exists regarding the quality rating and/or replacement cost
 - Adjusters should factor the Xactimate FCC (FCV, FCW) NFCCP (National Floor Covering Program) code that automatically adjusts to the labor assumption by zip code; however, the ITEL material cost must be input through the Components tab.
 - Adjusters should utilize the Xactimate ITEL Submit Form feature to automatically import the material cost into the applicable flooring line-item(s) (See [Xactimate® ITEL Utilization](#)).
 - If insured refuses to allow an ITEL sample, factor for Average grade floor covering.
- **Roofing** - Claims involving potential roof damages **must** be inspected. If damages are determined to be causally related to the loss, it is expected that all roofs and slopes be measured and diagrammed. It

is vital for adjusters to determine and document if the remaining roofing system or roof section meets the local building code or would require upgrade. This rule applies to individual roof sections separated or divided by such items as parapet walls, elevation differences, varying roof types, expansion joints and some flashing types.

- If Ordinance or Law coverage is contracted within the policy, consider the applicable Florida Building Code statute below:

The Florida Building Code 25% Roof Replacement Rule For asphalt, metal, mineral surfaced, slate and slate type roof coverings on roofs pitched 4:12 or higher, the *2020 Florida Building Code, Existing Building, 7th Edition* (effective December 31, 2020) outlines:

- **Existing Building 706.1.1** - Not more than 25% of the total roof area or roof section of any existing building or structure shall be repaired, replaced or recovered in any 12-month period unless the entire roofing system or roof section is replaced to conform to the requirements of this code.
- **Existing Building 706.7 Mitigation** - When a roof covering on an existing structure with a sawn lumber, wood plank, or wood structural panel roof deck on an existing building is removed and replaced, the following procedures shall be permitted to be performed by a roofing contractor:

- Use Xactimate code RFG RENAIL, factored by the SF of the roof or roof area being replaced.
- A secondary water barrier shall be provided as required by Section 706.7.2, as outlined below:

- **In High Velocity Hurricane Zone regions (Miami-Dade and Broward Counties only**, or as mandated by the Office of Insurance Regulation):

- Use Xactimate codes RFG FELT30 (1 layer of 30# felt) factored by the SQ of the roof area being replaced and RFG WBT factored by the SF of the roof area being replaced.

Outside the High Velocity Hurricane Zone (All FL Counties, except Miami-Dade and Broward Counties, or as mandated by the Office of Insurance Regulation), return with one (1) of these three (3) Underlayment options, comparable to the risk's existing underlayment material:

- **Option #1** – Use Xactimate code, RFG IWS (Ice & water barrier), factored by the SF of the roof area being replaced if a self-adhering polymer-modified bitumen underlayment was present before the date of loss.
- **Option #2** – Use Xactimate codes RFG FELT30 (1 layer of 30# felt) factored by the SQ of the roof area being replaced and RFG WBT factored by the SF of the roof area being replaced. This is the preferred method and is acceptable in all Florida counties.
- **Option #3** – Use Xactimate code RFG FELTL30 (2 layers of 30# felt).

Note: See *Evaluating Roof Damage – 25% Rule* job aid.

- **Drip Edge R905.2.8.5** - Drip edge at gables shall be installed over the underlayment. Drip edge at eaves shall be permitted to be installed either over or under the underlayment. If installed over the underlayment, there shall be a minimum 4-inch (51 mm) width of roof cement installed over the drip edge flange. Utilize Xactimate code RFG SEAL.

- **Exceptions:**

- Low-pitch roofs: Roof slopes < 4:12 are not subject to the above requirements and would generally have underlayment addressed with RFG FELTL30. Tile Roofing: Clay and concrete tile roof coverings are not subject to the above requirements and would generally have underlayment addressed with RFG RL.
- An exception permits an existing self-adhered membrane to remain on the roof provided that, if required, re-nailing of the roof deck in accordance with Section R908.7.1 can be confirmed or verified.
- If an existing roofing system or roof section was permitted on or after March 1, 2009, The Florida Building Code 25% Roof Replacement Rule does not apply.

If Ordinance or Law coverage is not contracted within the policy, address with like kind and quality materials and installation methods.

Adjusters should consider the following when adjusting roof claims:

Wind - Generally, shingles that are unsealed, with no other signs of damage, would not be considered wind damaged. In many cases unsealed shingles are the effect of nail pops, faulty installation, mechanical damage, or deterioration and not always the result of wind effects.

Hail - Generally, composition shingle hail damage can be identified as:

- Surface indentations and or fractures
- Granule loss at or near the surface depression
- Radiating cracks
- Exposed / fractured fiberglass mat

All roofing claims involving hail damage should include a 10' x 10' test square outlined in chalk, photographed and documented on each directional slope of the affected roof surface.

Adjusters should also document and photograph the condition and presence of hail impact on other potentially affected surfaces such as siding, gutters, downspouts, vents, windows, window screens, trims and HVAC fins.

- **Soft Metals** - It is permissible to include replacement of soft metals (flashings, drip edges, pipe jacks, ridge, off-ridge and turtle vents) when replacing a roof. Review the Xactimate Item Descriptions for the shingle tear-off as it may include the removal of some soft metals.
- **Ridge Cap** – Many Xactimate shingle tear-off line-items include removal of the ridge cap. Review the Xactimate Item Descriptions to confirm:
 - Ridge cap replacement for a 3-tab shingle should **not** be factored as a separate line-item on a full roof replacement. Replacement is factored into the shingle waste.
 - Ridge cap replacement (RFG RIDGC / RIDGC+) and starter row (RFG ASTR) for architectural / dimensional shingles may be factored as a separate line-item.
- **Haul-off / Disposal** - Roofing line-items such as RFG 240S, 300S, ARMV, include allowance for haul-off, disposal and a dumpster.
- **Steep and High Charges:**
 - Steep charges (RFG STEEP, STEEP>, STEEP>>) should be factored for 7/12 or greater pitches for the actual squares of the roofing area affected.
 - High charges (RFG HIGH) should be factored for those slopes where roof access is two (2) stories or greater.
- **Roofing Waste –**
 - Laminate/Asphalt Shingles - Utilize the Xactimate Roof Waste Calculator, which will automatically factor the appropriate roof waste. See [Xactimate Roof Waste Calculator](#) Job Aid.
 - Factoring manual waste should be avoided.
 - Xactimate includes 5% waste in the unit cost price for Roll (peel & stick) Roofing (RFG RL).
 - Allow a 20% waste factor on a *tile* roof to account for tile breakage.
 - Factor the actual SF or SQ on a Metal roof replacement. Xactimate factors waste into the unit cost price.
 - Steep and High access charges apply to the actual SQ's on the roof with no waste applied.
- **Roofing Miscellaneous -**
 - Most roof coverings should exclude bundling felt within the roofing material/labor item code. Instead, adjusters should utilize:
 - RFG 240S, RFG 300S, RFG TILS and RFG RLS, etc.
 - RFG FELT30 should be factored as replace only, without a waste factor, since tear-off is included in the shingle Remove action.
 - Consider the need to detach & reset roof mounted satellite dishes as required. Use Xactimate code RFG DISHRS. Recalibration and alignment are normally not required as most roofers can remount in the exact location.
 - Additional shingle layer line-item such as RFG ADDR MV should be factored when estimating for the removal of multiple layers of shingles.
 - Starter rows on 25 year, 3-tab shingles are included in shingle waste and should not be factored as a separate line-item.

- The adjuster should consider footfall damage allowance in the estimate if applicable.
- If the adjuster experiences a limited access situation due to steep, high or other safety concerns, they should request management authority for a ladder and/or access assist.
- Consider ground-level pedestrian and/or building perimeter barricades as needed.
- Replace RFG 220S (20 year, 3-tab shingle) with RFG 240S (25 year 3-tab shingle) due to limited availability.
- **Fencing** – Adjusters should determine the applicable policy settlement provisions regarding RC/ACV when adjusting fence damages. The adjuster should consider the following when estimating fencing, to the nearest linear foot:
 - Repair = section or partial run
 - Replacement = entire run or post-to-post
 - Run = end post-to-end post / corner-to-corner
- **Tree & Tree Debris Removal** – Tree and tree debris removal should be categorized into two separate line-items for all losses as applicable under the specific policy of coverage. Adjusters should consider:
 - The cost to remove the tree from the covered structure (DMO TREEHR) and place that portion of the tree onto the ground to facilitate necessary repairs.
 - The cost to remove that portion of the tree debris off the premises or location (DMO TREE) and consider:
 - Stump grinding is included in the tree debris removal limit.
 - Labor cost to move tree debris to street for city / municipal pickup, versus offsite tree removal, if applicable.

Note: See [Tree and Debris Policy Reference Guide](#).
- **Debris Removal** - Debris removal should be put into individual line-items to reflect the accurate cost associated with the removal of debris from the loss location. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, refer to policy form to determine if an additional 5% of that limit of liability is afforded.
 - Typically for small amounts of debris removal, users may account for partial loads by using a fraction in the quantity field (ex. .5 may be entered for 1/2 load or .25 for 1/4 load etc.).
 - Review Xactimate line-item descriptions for appropriate debris removal options:
 - DMO PU
 - DMO DTRUCK
 - DMO DUMP<, DMO DUMP, DMO DUMP>, DMO DUMP>>
 - Consider, if applicable, DMO labor hours for cartage of debris transport to onsite dumpster.

Estimate Components

- **Overhead and Profit (O&P)** - should be considered when, based on the complexity of the job, coordination of repairs by a general contractor (GC) would reasonably be required:
 - O&P should be calculated as 10% overhead and 10% profit, not cumulative.
 - Most contractor's bid estimates include overhead, profit, and tax in their calculations; therefore, the adjuster should verify that these costs have/have not already been included and adjust the line-item entry as required to avoid any duplication.
 - Generally, O&P is excluded from the following trades, if not being supervised by a GC:
 - Emergency services
 - Water mitigation
 - Mold remediation
 - Personal property cleaning
 - Dwelling cleaning being conducted by a mitigation contractor
 - Personal property pack-out
 - Work performed by insured
 - Roofing only project
 - Flooring only project

- **Labor Minimums** - Xactimate Labor Minimums will automatically adjust the labor component for all same-trade totals to make sure there is enough labor allocated to complete the repairs. Adjusters should consider the following:
 - The Citizens profile should be set to *Apply Labor Minimums*.
 - Once the estimate is complete, each individual *Labor Minimum* charge should be reviewed by the adjuster and a determination made whether it is applicable. If the *Labor Minimum* does not apply, the *Apply* should be unchecked.
 - If a single tradesperson is expected to perform the task(s), the *Labor Minimums* may need to be turned **off**.
 - Line-item minimums, such as DRY MN, INS MN are prohibited.
- **Sales Tax - Tax Jurisdiction** in Xactimate estimate *Parameters* is factored based on location of the risk. The adjuster should be familiar with the applicable sales tax that can vary from county to county.
- **Depreciation** - Citizens does not maintain nor authorize a depreciation guide. When the adjuster evaluates replacement items subject to depreciation, the following factors are considered:
 - Depreciation should be determined on the remaining useful life on a per-item basis.
 - Rationale should be documented to support adjuster's determination.
 - The *Xactimate Depreciation* selector should be set at the *Age / Condition*, the approximate *Purchase Date* entered, and *Condition* selected.
 - Maximum depreciation is 80%.
 - **Global depreciation is strictly prohibited.**
 - Structural items such as framing, concrete, sub-surfaces, roof decking, and rough-in electrical and plumbing are normally not subject to depreciation.
 - Repaired items are not normally depreciated. However, cabinet faces should reflect depreciation if refacing is estimated.
 - Carpet should follow these special depreciation guidelines:
 - For policies with Replacement Cost Value (RCV) coverage on the Coverage A, the affixed carpet should be paid at RCV regardless of the presence of the CIT 04 90 endorsement.
 - Non-affixed carpet and carpet padding (bound or unbound) is considered Coverage C (Personal Property) and should be paid at Actual Cash Value (ACV) unless the Personal Property Replacement Cost Value *endorsement* (CIT 04 90) is applicable.
 - Claims filed on Citizens' Contents (Coverage C) policies, which may offer building addition or alteration coverage (and that may include carpeting), should be paid at Actual Cash Value unless amended by the appropriate Personal Property Replacement Cost Value endorsement.
 - Applicable depreciation on building estimates, as well as personal property items are in accordance with Citizens' policy language and Florida Statute 627.702 which should be reviewed and closely followed in the case of a fire, lightning, or constructive total wind losses.
 - The release of Recoverable Depreciation or Holdback should be considered under the following circumstances:
 - When the amount of the Recoverable Depreciation is:
 - \$2,500 or less for personal lines
 - \$5,000 or less for commercial lines
 - Receipt of a signed repair contract
 - Receipts, invoices, photographs and/or documentation received confirming repair or replacement has been completed
 - Depreciation thresholds are subject to change, namely in the event of a catastrophic event, which will be relayed through formal Claims Governance communications.
- **Ordinance or Law** – For policies with Ordinance or Law coverage, please refer to the specific policy provisions regarding the limit of liability. Ordinance or Law coverage must be enforced and increased costs incurred prior to payment, which should be shown in the Xactimate estimate utilizing the Paid When Incurred (PWI) feature.
- **Permits and Fees** - Permits and fees should be paid based on actual costs documented by the repair contractor or estimated based on the municipal jurisdiction building code requirements. If such

charges appear excessive, they should be supported via on-line local city/county websites or the local building code enforcement office.

- **Paid When Incurred (PWI)** – When it is determined that the items are payable when incurred, utilize the Xactimate’s Paid When Incurred feature (See [Xactimate Paid When Incurred \(PWI\) Feature Job Aid](#)). PWI may be paid, but is not limited to the following circumstances:
 - Receipt of a signed repair contract
 - Receipts invoices, photographs, and/or documentation received confirming repair or replacement has been completedNote: Depreciation should not be applied to PWI items.
- **Sub-bids** – Factoring sub-bids as a single line-item entry is prohibited if Xactimate line-items are available in the software tool.
 - If the specialty trade on a sub-bid cannot be broken out by Xactimate line-item entry, the adjuster should ensure that:
 - The corresponding trade Category, i.e., Plumbing and the Selector of BIDITM are utilized.
 - The sub-bid is itemized for material and labor and not factored as a lump sum.
 - Any O&P and/or sales tax reflected in the sub-bid are not duplicated by the software calculations.
 - The use of the sub-bid is supported with an Xactimate note.
 - The sub-bid is uploaded into XactAnalysis documents.

NEGOTIATION AND SETTLEMENT

Settlement and Payment - The adjuster should adhere to the following settlement guidelines:

- Attempt to reach an agreed ‘scope and damage’ estimate with the insured or their representative(s).
 - If an agreed scope cannot be obtained, the adjuster should issue payment of the undisputed covered damages determined at the inspection.
- Appropriate steps to conclude the loss should be facilitated and documented with rationale in the file notes. This may include:
 - Acknowledging relevant correspondence associated with coverage or damages
 - Negotiation upon receipt of estimates, invoices, receipts, or other documentation from the insured or their representative(s)
- Protect the interests of lienholders, mortgagees, additional insured(s), insured’s representatives and AOB parties.
 - Compliant assignment of benefits agreements does not require the named insured or additional insured(s) as payee(s).
 - Non-compliant assignment of benefits agreements should include the AOB vendor and all applicable interested parties as payee(s).
 - A mortgagee or lienholder is not required on Coverage A and B losses that do not exceed a net amount of \$2,500.
 - Payments for Emergency Water Removal Service, Managed Repair Program and Reasonable Emergency Measures are not to include a mortgagee or lienholder.
 - An indemnity payment should not be withheld, if interested parties are to be changed, removed or added as payees. However, documentation should be included in the claim file that supports the change to payee(s). An Informational Underwriting Risk Referral should be completed prior to claim closure (See [Underwriting Department](#)). Such documents may include, but are not limited to:
 - Lien satisfaction
 - Death certificate
 - Mortgage statement
 - Written recension of:
 - Insured’s representation
 - Assignment of benefits
 - Direction to pay
 - In these instances, when submitting a referral to Underwriting for (see [Creating a Manual Underwriting Referral Job Aid](#)):

- Commercial Lines – From the Actions tab, use the Commercial Urgent Claim Payment UW Referral.
 - Personal Lines – From the Actions tab, use the Informational Underwriting Risk Referral.
- For a covered loss (including ones less than policy deductible), the adjuster is required to complete the Payment Worksheet to generate a Statement of Loss (SOL) to memorialize the claim amounts.
- Calculations should be factored based on:
 - Scope of covered damage
 - Applicable deductible
 - Policy and/or special limits
 - Actual Cash Value (ACV) versus Replacement Cost Value (RCV) with consideration of:
 - Florida Statute 627.702 Valued Policy Law should be reviewed and adhered to in the event of a total loss, or a partial fire or lightning loss. Citizens' liability is the actual amount of the loss but shall not exceed the amount of insurance specified in the policy.
 - Florida Statute 627.7011 should be reviewed and adhered to in the event of a partial loss and/or when an Ordinance or Law claim is presented. Citizens should initially pay the actual cash value of the loss less any applicable deductible. Citizens shall pay any remaining amounts necessary to perform such repairs as work is performed and expenses incurred.
- In accordance with the [Florida Statute 627.70131](#) - Insurer's duty to acknowledge communications regarding claims, investigation:
 - "(5)(a) Within 90 days after an insurer receives notice of an initial, reopened, or supplemental property insurance claim from a policyholder, the insurer shall pay or deny such claim or a portion of the claim unless the failure to pay is caused by factors beyond the control of the insurer which reasonably prevent such payment. Any payment of an initial or supplemental claim or portion of such claim made 90 days after the insurer receives notice of the claim or made more than 15 days after there are no longer factors beyond the control of the insurer which reasonably prevented such payment, whichever is later, bears interest at the rate set forth in s. 55.03. Interest begins to accrue from the date the insurer receives notice of the claim. The provisions of this subsection may not be waived, voided, or nullified by the terms of the insurance policy. If there is a right to prejudgment interest, the insured shall select whether to receive prejudgment interest or interest under this subsection. Interest is payable when the claim or portion of the claim is paid. Failure to comply with this subsection constitutes a violation of this code. However, failure to comply with this subsection does not form the sole basis for a private cause of action."
- Payment shall be issued within 15 calendar days after there are no longer factors beyond the control of Citizens which reasonably prevents such payment per Florida Statute 627.70131.
 - Care should be taken to ensure payment is mailed to the correct party and mailing address.
- An interest payment may be warranted when a claim is not paid within 90 days from the reporting date or more than fifteen days after there are no longer factors beyond the control of the insurer.
 - A Director shall review the submitted payment for approval.
 - Ensure that all exposures are open and reserves are set.
 - Appropriate explanation letter is to be sent with the interest payment.

Discussion with Insured - The insured or their representative(s) must be contacted to discuss settlement, including full denial and/or a portion of the claim where coverage is not afforded. The following procedures should be considered during the settlement 'voice-to-voice' review:

- Review coverage with insured or their representative(s) and AOB vendors, where applicable, as it applies to the settlement.
 - Explain any exclusions, limitations, a portion of the claim where coverage is not afforded or full denials.
 - Consider calling the agent of record, as a courtesy, if an escalation by the insured appears imminent.
- Review scope and damage estimate.
- Explain payment amount, including:
 - Other payees/additional interests

- Recoverable and nonrecoverable depreciation holdback process
 - Depreciation is withheld when the amount of the recoverable depreciation is greater than \$2,500.
- Applicable deductible:
 - All peril
 - Wind
 - Sinkhole
- Ordinance or Law (O&L)
- Policy and/or special limits
- Paid When Incurred (PWI) items
- Address any remaining open items
- Explain the need to advise Citizens, prior to engaging the repairs, if their contractor's repair estimate exceeds Citizen's damage estimate.
- Explain Subrogation/salvage process, if applicable.
- Document settlement discussion in file notes.
- If after two (2) separate documented attempts, the insured or their representative(s) cannot be reached, send settlement, denial and/or the portion of the claim where coverage is not afforded by letter or ClaimCenter email.
- For appraisal and mediation matters, the voice-to-voice discussion is not required if the insured is represented by an attorney or PA.

Negotiated Settlement Agreement – When a claim is resolved through a negotiated settlement agreement, Citizens must adhere to the specific terms of the agreement and ensure all terms are met in a timely fashion. The specific terms of the negotiated settlement agreement control and supersede the Conditions of the policy of insurance. If a negotiated settlement agreement is reached, the specific terms of the agreement must be documented in written form and executed by all parties.

Release of Recoverable Depreciation – Holdback is released as follows:

- Submission of an insured's signed 'certificate of repairs completion' form, provided by the servicing vendor, paid receipts / invoices, other documentation and photographs supporting completion of repairs / replacement
- Onsite reinspection confirms repairs / replacement completed
- Upon receipt of signed contract / work authorization / certificate of completion from a licensed contractor conducting repairs

EWRS & MRP Payment Processing -

- **Emergency Water Removal Service Payments -**
 - Are payable as an expense payment without application of the deductible
 - Are paid directly to the CAIS network contractor providing the services, as the sole payee
- **Managed Repair Program Payments -**
 - Are payable as indemnity
 - Are paid as a joint payment only to the CAIS network contractor and the insured(s), for net replacement cost
 - Are for the replacement cost of covered repairs, with no depreciation withheld
 - Are subject to the insured's deductible, which they make payable directly to the CAIS network contractor
 - Has 50% of the agreed-upon estimate amount withheld from the initial indemnity payment
 - Final 50%, including any approved supplements are jointly payable to the CAIS network contractor and the Named insured(s) upon receipt of the *Certificate of Satisfaction*.

Expense / Vendor Payments – Refer to the [LAE Guidelines](#) for vendor payment billing and processing requirements.

- Vendor expense invoices should be reviewed for accuracy and appropriate for the services requested.

- Vendor expense invoice(s) should be uploaded, and payment issued within 14 calendar days of receipt and prior to file closure.

FILE MANAGEMENT

Documenting the Claim File - Properly documenting the claim file and activity file notes is an essential part of the claims process. Accurately entering all documentation and activities, on a timely basis, provides a vital means to monitor and assure exceptional customer service to our insureds.

- **Activity Note Quality** – The following should be adhered to in the utilization of claim file notes:
 - ClaimCenter Topic Headers are to be utilized for ease of navigation:
 - All triggered system-generated Topic Headers should be completed for:
 - Coverage Review
 - Cause and Origin Summary
 - Confirm Cause of Loss (COL) and Sub-Loss Cause are accurate in ClaimCenter
 - First Contact Made
 - New Document Upload
 - Reserve Analysis and Recommendation
 - Settlement Recap
 - Any other Topic Headers should be utilized as appropriate (i.e., Letter of Representation Verified).
 - A separate note is required for the following Topic Headers:
 - Inspection Scheduled
 - ALE/FRV
 - Informational Underwriting Referral (when warranted)
 - Avoid cutting and pasting pre-filled templates.
 - Avoid duplicating content from prior entries / templates.
 - All content should be professional, concise, and easy to read:
 - Refrain from entering personal comments.
 - Entries should contain factual observations and be void of personal opinions or mental impressions.
 - Use CPIC-approved or industry-accepted abbreviations that are well known and understood.
 - File notes should be sufficiently documented to allow:
 - A clear understanding of the claim investigation
 - Explanation of how the settlement was achieved
 - An analysis of applicable coverages
 - A description of mitigation and repair or replacement efforts
 - File notes outlining and correctly documenting all Indemnity payments, including:
 - Building, Personal Property, Loss of Use, Fair Rental Value
 - Advance payments
 - ACV and RCV payments
 - Details of a 'voice-to-voice' conversation with the insured or their representative(s) regarding the claim settlement and amount(s) or a denial of coverage.
 - Claims personnel are responsible for documenting compliance within the expectations of any business unit protocol.
 - Factors, beyond the control of Citizens, causing a delay in the settlement, payment or closure of a file must be outlined.
 - Fully document the explanation of the Emergency Water Removal Service (EWRS) and Managed Repair Program (MRP) to include:
 - To whom (proper name and their role in the claim) the adjuster spoke
 - If the insured(s) opt into either or both the EWRS and/or MRP network or formally decline it
 - Explanation of the sub-limit policy provision for opting out of the MRP
 - Insured's payment of their full deductible issued to the CAIS network contractor (only under the MRP)
 - No policy deductible is applicable under the EWRS program portion.

- **Timeliness of Activity Notes** – Activity notes should not be backdated. First Contact Made Activity note is not considered backdated if entered within the timeframe of the initial contact requirement. The following timelines should be adhered to or the file documented as to why these timelines cannot be met:
 - Claim should be reviewed and updated at a minimum of every 14 calendar days.
 - Sinkhole claim files should adhere to this expectation unless a reason for extending a longer diary period is clearly identified. In this event, a diary for 45 days may be appropriate. (Examples – grouting completed; engineer informed the insured all grouting must cure for a period of sixty (60) days before beginning cosmetic repairs).
 - Update the file notes with details of the inspection within two (2) calendar days after completion.
 - Document reserves as outlined in the Reserve section of this document to meet required timelines.
 - Enter a Recorded Interview Summary within two (2) calendar days of completing the RI. Summary should include at a minimum:
 - The name of the interviewer and the interviewee(s)
 - Pertinent facts regarding the loss, including but not limited to:
 - Cause of loss
 - Damages
 - Timeline of events
 - Witnesses
 - Contributing parties
 - Mitigation efforts
 - Any other information that may be relevant or applicable during a coverage determination, analysis, or review

- **Documents** - Documentation of the investigation and damages should be uploaded to the claim file. This supporting documentation may include, but not be limited to:
 - Recorded interviews (.wav files)
 - Police, fire and weather reports
 - External resource reports
 - Photographs
 - Receipts, estimates, contractor or repair invoices
 - Lease agreements/ALE worksheets
 - PPIF forms
 - Underwriting risk referrals
 - Emails

The following documentation guidelines should be adhered to:

 - Upload to the file within two (2) calendar days of receipt
 - RI should be uploaded within two (2) calendar days of completing the interview.
 - Properly date and rename all documents for clarity, applicable to business unit protocols, including all incoming and outgoing emails.
 - Link to individual file Activity notes for support and reference as needed.
 - Documents to be linked include, but are not limited to:
 - Documents from insured or insured's representative(s), including:
 - Receipts, invoices, estimates and bids
 - Proofs of Loss
 - PPIFs
 - Condo bylaws, incident reports and loss assessments
 - Releases
 - Lightning Affidavits
 - Appraisal requests, etc.
 - Letters of Representation, Assignments of Benefits
 - Vendor and expert reports, including:
 - Property appraiser reports

- Comprehensive reports
- Engineer reports
- Citizens' appraiser estimates and reports

Note: Linking auto-generated reports or reports in the Vendor Services Tab, such as aerial imagery, ISO, drone reports, Lynx® reports, and the Xactimate estimate package is not required.

- Vendor and expert invoices (IA LAE invoices should be linked in the Activity).
 - Linking is not required for invoices in the Vendor Services Tab
- Appraisal requests
- Police, fire and/or weather reports
- Subrogation demand letters and claim documents from other carriers

Note: When a previously closed claim is re-opened and re-assigned, all documents received since initial closing are to be appropriately renamed and linked.

- After the inspection/assessment of dwelling and/or building losses, the completed undisputed damage estimate with photographs and sketch should be uploaded as follows. Reasonable rationale should support any delay if these requirement(s) cannot be met. (i.e., awaiting expert report relevant to coverage or exposure).
 - For Personal Lines - within five (5) calendar days
 - For Personal Lines Large Loss - within 21 calendar days for estimates greater than (>) \$50,000
 - For Commercial Losses, the requirement is for all closing documents to be uploaded after completion of the final inspection:
 - Seven (7) calendar days or less for losses up to \$999,999
 - Fourteen (14) calendar days or less for losses of \$1 million or above
 - See *File Management Phase* for documenting claim file activities in XactAnalysis
 - If additional time is needed to comply with the above time service requirement, it must be approved by the commercial claim manager providing oversight. In the event of a catastrophe, this time requirement may be modified by the commercial department.
 - Any requests for estimate revisions should be processed and submitted within two (2) calendar days unless mandated by specific unit protocols.
 - An Executive Summary will be required for all covered losses exceeding \$1,000,000.
 - Commercial Large Loss Status Report is to be uploaded and submitted to the commercial team lead manager and contain the following information as outlined in the Citizens approved form:
 - Basic risk information
 - Loss information
 - Coverage information
 - General information
 - Damage information
 - Expert utilization
 - Reserve recommendation
 - Subrogation
 - Salvage
 - Special investigations
 - Special issues or concerns
 - Authorizations
 - Any delay in meeting these guidelines for personal lines or commercial losses should be supported with file documentation.
- **XactAnalysis** – If XactAnalysis is the communication conduit and document repository between the Task Adjuster (TA) and the Desk Adjuster (DA), the TA should use XactAnalysis to timely convey:
 - All notes regarding:
 - Customer contact and inquiries
 - Handling adjuster interactions/communications
 - Estimate, inspection, and work delays with rationale of the cause(s)

- Estimates/photographs/documents
 - Are to be uploaded according to the referenced timelines and labeled appropriately.
 - Documents, sub-bids, and other supporting correspondence should be uploaded and labeled appropriately.
- Update the workflow statuses for the following:
 - Customer Contacted
 - Planned Inspection Date
 - Site Inspected
- **Activities** – The following ClaimCenter activity guidelines should be adhered to:
 - Parties, contacts, and other relevant information should be added and/or updated upon knowledge or receipt.
- **Vendor Services** – The *Vendor Services* tab in ClaimCenter should be used appropriately to include but not be limited to:
 - MRP / EWRS statuses:
 - Activity Assigned
 - Assignment Declined
 - Assignment Accepted
 - Contractor Assigned
 - Managed Repair Approved
 - Certificate of Satisfaction Submitted
 - On Hold
 - Insured Declined
 - Cancelled by Citizens
 - Completed
 - No Policy Coverage
 - Some Workflow Statuses can be updated in the Payment Worksheet.
- **Adjuster-initiated Management Interaction** – The adjuster should engage Citizens’ management as appropriate. Requests can include but are not limited to:
 - Approval and retaining of external resources, and management of the process
 - Interaction between the adjuster and manager involving reserves, expense payments, etc.
 - When the adjuster’s personal authority is exceeded, an automated function of ClaimCenter requires the manager to review and make a determination of said request via a Workplan generated Activity.
 - Requests for roundtables
 - Insured or their representative’s inquiry or complaint escalation and its resolution
 - Coverage opinion or file escalation and resolution
 - Response to management requests
- **Management Oversight** – Claims management is to provide direction as appropriate. All management direction is to be clearly detailed in the claim file by an acting manager/supervisor. The following is required:
 - Proper and correct guidance given by management
 - Requests should be responded to and documented within three (3) calendar days.
 - Management is required to perform an initial file review and provide a claim file note within 15 calendar days of assignment. File ‘note’ should include ‘Topic’ heading of ‘Management Review.’
 - The initial file review note should indicate subsequent diary dates, action plan(s) and/or pending items.
 - If claim closes prior to day 15, management file review note is not required.
- **Statutory Compliance** – Citizens is required by the State of Florida and applicable statutes to properly acknowledge, investigate, correspond with the insured or their representative(s) and provide timely claim payments. State of Florida Statutes can be found at: <http://www.leg.state.fl.us/statutes/>. Claims personnel should be familiar with and document the file with regard to the following:
 - Timely claim acknowledgement

- Setting inspection appointments
- Investigation timeline requirements
- Correspondence response time requirements
- Required payment timelines

All supporting documentation submitted is to be reviewed and acknowledged within the timelines mandated by Citizens and the applicable Florida statutes.

- Florida Senate Bill (SB) 2-D amends, regarding claims-handling, the following:
 - Florida Statute § 627.70131(3)(d): The carrier must send the detailed estimate within the later of seven (7) days after the carrier receives the request or seven (7) days after the estimate of the amount of loss is completed. A carrier is not required to create a detailed estimate if the estimate is not reasonably necessary as part of the investigation.
 - Florida Statute § 627.70131(7)(a): Requires a carrier to provide a written explanation of the basis in the policy, in relation to the facts or applicable law, for the payment, denial, or partial denial of the claim. It also requires the carrier to provide a written explanation if the payment is less than the detailed estimate.
- Senate Bill 2A, which amends Florida Statute § 627.70131 mandates the following:
 - Reducing the time that an insurer has to make a determination of coverage from 90 to 60 days; effective March 1, 2023 for any initial (newly reported), reopened, or a supplement claim.
 - Reducing the time for insurers to review and acknowledge a claim communication from fourteen (14) to seven (7) days.
 - Reducing the time for an insurer to begin an investigation from fourteen (14) to seven (7) days after the receipt of a POL.
 - Reducing the time for an insurer to conduct a physical examination from 45 to 30 days, and
 - Seven (7) calendar days from receipt to respond to written correspondence. If the acknowledgment is not in writing, a notification indicating acknowledgment shall be made in the Insurer's claim file and dated.

Claims Filing Deadlines:

- Reduces the claims filing notice deadline from two (2) years to one (1) year from the date of loss for new or reopened claims.
- Notice of supplemental claims are reduced from three (3) years to eighteen (18) months from the date of loss.

Insurance Company Duties:

- Requiring insurers to send any adjuster's report estimating the loss to the policyholder within seven (7) days after it's generated.
- Flood Insurance: Senate Bill 2A requires that personal residential insureds must carry flood insurance to be eligible for coverage with Citizens. The statute addresses various underwriting protocols necessary to acquire property insurance protection through Citizens that may be applicable to claim coverage investigations. Senate Bill 2A places the burden on the Insured to prove to Citizens that water damage was not caused by flooding.

- **Closing the Claim** - Prior to closing the claim, the following should occur unless unit-level protocols mandate otherwise:
 - Settlement conversation with insured
 - Indemnity payment(s) issued
 - Settlement letter with supporting documentation sent to parties of interest
 - All claim documents uploaded
 - LAE invoices paid
 - All activities completed in the Workplan

- Exposures closed
- Claim Questionnaire completed
- Note** - Keeping a file “open” is unnecessary if *recoverable depreciation* has been withheld from a payment.
- **Claim Invalidation** - Occasionally, claims are received that should not have been set up or were set up incorrectly. These claims may qualify for ‘invalidation’ if they meet any one of the criteria outlined below:
 - Criteria for an Invalidated Claim:
 - Duplicate claim
 - Claim filed on incorrect policy
 - Claim filed without the knowledge or consent of the insured
 - Claim filed as a first party / property damage claim that should have been filed as a third-party / liability claim
 - Claims without *Indemnity* payments that meet one or more of the above criteria may be invalidated. These claims are to be referred to a *Citizens’* Manager for submission of the invalidation request.
 - Expense payments are permissible on these files.
- **Citizens’ Privacy Policy** - Citizens may collect customers’ personal information only for the purposes identified in the privacy notice and may collect employees’ and vendors’ confidential and exempt information only for lawful business purposes. Link: <https://intranet.citizensfla.com/documents/35042/60123/POL406+-+Privacy+Policy.pdf/e2b292d8-4f2a-a008-5f4d-32a01b733c97>
 - **Use** - To ensure the privacy of its customers, employees and vendors, *Citizens* employees must classify and handle all information in Citizens’ possession as mandated by Citizens’ Information Classification and Handling Policy (Policy 404). The use of customers’ personal information must be limited to the purposes identified in the privacy notice, and the use of employees’ and vendors’ confidential and exempt information must be limited to lawful business purposes.
 - Please refrain from entering personal information (dates of birth, Social Security numbers, driver’s license numbers, account numbers, medical information, usernames and passwords) into ClaimCenter notes.