

# ACTION ITEM

Claims Committee Meeting, September 19, 2018  
Board of Governors Meeting, September 26, 2018

<b>CONTRACT ID:</b>	<b>Independent Adjusting Services – Litigated</b> <b>RFP 17-0002</b> <b>MULTIPLE VENDORS</b>
<b>BUDGETED</b>	Yes.
<b>CONTRACT AMOUNT</b>	A contract amount of \$630,980,650 was previously approved by the Board of Governors on June 20, 2017. This Action Item will not result in a change to the existing approved contract amount.
<b>CONTRACT HISTORY</b>	On May 17, 2017, Citizens awarded thirteen (13) contracts for Litigated Adjusting Services via RFP 17-0002, which were approved by the Board on June 20, 2017. This Action Item seeks approval to add two new adjuster classifications to the existing contracts, in response to a market shortage and growing need for additional adjusting resources within the Pre-Suit Mediation and Pre-Suit Appraisal areas.
<b>CONTRACT TERM(S)</b>	The current contracts have a five-year base term with five optional, one-year renewal terms (the “Renewal Term”), which may be exercised upon mutual agreement of the parties.
<b>PURPOSE/SCOPE</b>	<p>This Action Item seeks Board approval on the following:</p> <p>Amend the existing terms of the contract to add new adjuster classifications and corresponding compensation schedules for Pre-Suit Mediation Adjuster I and Pre-Suit Appraisal Adjuster I.</p> <p>Section 4.3.2.1 of the contract addresses the current minimum qualifications for the Pre-Suit Mediation and Pre-Suit Appraisal adjuster classifications; each requires a minimum of four years’ experience adjusting multi-peril property losses. Per Section 8.2, the daily compensation rate for these classifications is \$625 per adjuster for non-catastrophe deployments.</p> <p>However, current market conditions have resulted in a shortage of resources able to meet the current qualifications outlined above, all while Citizens’ need for resources in this area has continued to grow. As such, in an effort to strengthen our ability to acquire and utilize additional needed resources, this Action Item is seeking approval to create two new additional classifications with a less stringent requirement of two years’ experience adjusting multi-peril property losses. These two new classifications (Pre-Suit Mediation Adjuster I and Pre-Suit Appraisal Adjuster I) will include a daily compensation rate of \$525 per adjuster for non-catastrophe deployments. The minimum qualifications and compensation schedule for these new classifications are consistent with the Litigation Adjuster I classification which is already contained within the contract.</p>
<b>PROCUREMENT METHOD</b>	On March 20, 2017, Citizens issued Request for Proposals (RFP) 17-0002 for Litigated Independent Adjusting Services. Responses were received and scored by an Evaluation Committee and on May 17, 2017, the Evaluation Committee recommended award to five primary vendors and eight contingent vendors. These contracts were previously approved by the board on June 20, 2017.

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<b>RECOMMENDATION</b>	Staff recommends the Citizens' Claims Committee approve and recommends the Board of Governors:  a) Approve the recommended contract amendment to add Pre-Suit Mediation Adjuster I and Pre-Suit Appraisal Adjuster I classifications for Independent Adjusting Services – Litigated, RFP 17-0002; and  b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.
<b>CONTACTS</b>	Jay Adams, Chief Claims Officer