

# Executive Summary

Claims Committee Meeting, December 5, 2018  
Board of Governors Meeting, December 12, 2018

## Litigated Claims Update

### CLAIMS LITIGATION

#### **Hurricane Irma Litigation (through Oct 31, 2018)**

As of October 31, 2018, Citizens has been served with 6,909 Hurricane Irma lawsuits. The breakdown of the Hurricane Irma lawsuits is as follows:

Total lawsuits served on Citizens	6,909	
Total Residential lawsuits	6,715	97% of All Irma Lawsuits
Total Commercial lawsuits	194	3%
Total AOB Lawsuits	1,072	15%
Total Residential AOB	1,058	15%
Total Commercial AOB	14	<1%
Surge Involved	193	3%
Total Residential	157	2%
Total Commercial	36	<1%

Reported Date of Loss Range (09/07/2017 – 09/16/2017)

#### Lawsuits Served

2017	Oct	3	<1%
	Nov	63	1%
	Dec	175	3%
2018	Jan	412	6%
	Feb	647	9%
	Mar	781	11%
	Apr	794	11%
	May	779	11%
	Jun	724	10%
	Jul	695	10%
	Aug	760	11%
	Sep	563	8%
	Oct	513	7%

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## Residential Hurricane Irma Lawsuits (6,715 Lawsuits):

Pre-Suit Claim Determination		
Claim Paid	4,157	62% of Residential Irma Suits
Loss Below Deductible	1,432	21%
Claim Denied	1,030	15%
No Determination	43	<1%
No Policy in Force	19	<1%
Duplicate Claim	14	<1%
Claim Withdrawn	11	<1%
First Notice	9	<1%
Surge Involved	157	2%
County / Venue		
Miami-Dade	4,388	65%
Broward	1,365	20%
Monroe	424	6%
Palm Beach	258	4%
Collier	41	<1%
Pinellas	36	<1%
Lee	31	<1%
Pasco	30	<1%
Brevard	20	<1%
Hillsborough	20	<1%

The following remaining counties had counts of 10 lawsuits or less and accounted for less than <2% combined:

Alachua, Bradford, Charlotte, Citrus, Columbia, Duval, Flagler, Glades, Hendry, Hernando, Highlands, Indian River, Lake, Leon, Manatee, Marion, Martin, Nassau, Okeechobee, Orange, Osceola, Polk, Sarasota, Seminole, Saint Johns, Saint Lucie, and Volusia.

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## Commercial Hurricane Irma Lawsuits (194 Lawsuits):

Pre-Suit Claim Determination		
Loss Below Deductible	84	43% of Commercial Irma Suits
Claim Paid	60	31%
Claim Denied	49	25%
No Policy in Force	1	<1%
Surge Involved	36	19%
County / Venue		
Miami-Dade	77	40%
Monroe	61	31%
Broward	39	20%
Palm Beach	5	3%
Brevard	3	2%
Collier	4	2%
St Lucie	2	1%
Volusia	2	1%
Manatee	1	<1%

## Overall Litigation

### 2018 Overview of Incoming Lawsuits and Pending Volume (Jan 1, 2018 – Oct 31, 2018):

From January through October 2018, Citizens was served with 11,143 lawsuits (10,869 Residential Property) – averaging 1,114 new lawsuits per month. This reflects an 71% increase in the number of new incoming suits per month as compared to this same time last year (2017 average for January through October – 650). Hurricane Irma suits represent 60% of all new incoming lawsuits for 2018 (Total new Irma suits – 6,668; averaging 667 per month).

As of October 31, 2018, current pending volume totaled 14,510 lawsuits (14,042 Residential Property). This reflects a 37% increase in pending as compared to this same time last year (2017 – 10,570 pending matters).

90% of the incoming residential property lawsuits arise out of the Tri-County area:

- Miami-Dade 63%
- Broward 23%
- Palm Beach 4%

The insured was represented at First Notice of Loss in 61% of incoming residential property lawsuits. This reflects a 22% decrease in the number of insureds with representation at the First Notice of Loss which is directly related to the influx of Hurricane Irma claims:

- Public Adjuster 32%
- Attorney 27%
- Both PA & Attorney 2%

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In 48% of the incoming residential property lawsuits the insured did not dispute Citizens' position or adjustment of the claim prior to filing suit.

A review of the timing of incoming lawsuits reveals that 33% of lawsuits are brought within 6 months of the First Notice of Loss (FNOL). This reflects a decrease of 11% in the number of lawsuits filed within 6 months of FNOL:

- Within 6 weeks of FNOL <1% (previously 1%)
- Within 3 months of FNOL 4% (previously 9%)
- Within 6 months of FNOL 29% (previously 34%)
- Within 1 year of FNOL 50% (previously 33%)
- Within 2 years of FNOL 12% (previously 16%)
- 2 or more years from FNOL <5% (previously 6%)

## Impact of Hurricane Irma Litigation:

Hurricane Irma lawsuits represent the leading cause of loss for all new incoming lawsuits (60% overall - 45% brought by insured & 15% by AOB vendor), and currently represent approximately 40% of all pending lawsuits.

Hurricane Irma lawsuits brought by the insured now represent the leading cause of loss in pending lawsuits (34%) followed by Water Loss lawsuits (28%).

The overall percentage of pending AOB lawsuits accounts for 27% of the pending residential property lawsuits (21% Non-Irma AOB; 6% Irma AOB).

## Conclusion

Citizens continues to receive in excess of 1,000 new lawsuits per month, a 71% increase as compared to 2017, directly related to the influx of Hurricane Irma litigation combined with continued receipt of Water loss lawsuits. The majority of new incoming lawsuits at the time remains Hurricane Irma litigation (60% of all new lawsuits) with the overwhelming majority of all new lawsuits (90%) arising out of the Tri-County area.

The leading dispute for all Hurricane Irma lawsuits, both Residential and Commercial, is Scope & Pricing.