



# Lisa Miller & Associates

Business Development, Government Consulting, Public Relations

Citizens Claims Committee Conference Call of 6-13-24:

(meeting agenda and supporting documents/reports available at <https://www.citizensfla.com/-/20240613-claims>)

## Claims Committee

- Scott Thomas – Chair
- Josh Becksmith
- Jason Butts
- Jon Palmquist - Technical Advisor
- Jay Adams - Staff

## **Approval of Prior Claims Committee Meeting Minutes** (March 28, 2024 Claims Committee Meeting) **[Prior Claims Meeting Minutes 03.28.24](#)**

For the first time in several years, there was no Chief Claims Officer Report nor Chief Insurance Officer Jay Adams present at today's claims committee meeting. At its last meeting in late March, Adams said that litigation costs have increased due to a growing number of catastrophe claim lawsuits. This, despite an overall 20% decrease in new litigation from September 2022 to September 2023. He had also reported that pending litigation was slowly declining, but past weather events continued to generate new litigation and will do so for the foreseeable future. **The trend of increasing catastrophe claim lawsuits continues into 2024** as we'll see below.

Today's committee agenda, as usual, included a Non-Litigated Claims Report from Craig Sakraida, VP of Non-Litigated Claims and a Litigated Claims Report from Elaina Paskalakis, VP of Claims Litigation. However, neither was present at today's meeting and Chairman Thomas, noting "we've had some very helpful presentations relating to claims and various statutory changes" prior to today's meeting said there would be no separate presentations today, adding "I think Jay (Adams) relayed to everybody who wanted to take a look at those presentations." The presentations were prepared and linked below. Thomas asked for any questions and there were none, so they moved on.

The following is our take on the linked presentations.

## **Non-Litigated Claims Vice President Report**

- **[Non-Litigated Claims Update](#)** (slide deck): The report is our first real look at 2024 data with a review of 12-month data from April 2023 to April 2024. Among the highlights:

- New non-litigated claims have decreased 37% from April 2023 primarily due to no major storm activity in April 2024.
- Total claims pending have decreased 26% from April 2023.
- New Non-Weather Water claims reported decreased 18% from April 2023.
- Non-Weather Water claims decreased month over month from October 2023 with the exception of January 2024.

#### Claims Litigation Vice President Report

- [Litigated Claims Update](#) (slide deck): Likewise, the report is our first real look at 2024 litigation data. This is a comparison of January-April 2024 with the same four months in 2023. Among the highlights:

- New lawsuits have increased 5% (averaging 766 new lawsuits per month). This is a reversal of the decreasing trend of the last several months that was a continuation of the 20% decrease in new litigation from September 2022 to September 2023. Writes Ms. Paskalakis, "It is simply too early to tell if this will be a sustained trend or merely a temporary, seasonal spike in new lawsuits."
  - The Tri-County area of South Florida makes up 63% of these lawsuits, down 4% from the same period last year and part of an ongoing shift of new lawsuits to the Central-West Florida area.
  - The plaintiff was represented at First Notice of Loss in 63% of new lawsuits, up 32% compared to 2023.
  - Only 1% of the new lawsuits involved the policyholder not disputing the claim adjustment prior to filing suit. That's a 70% decrease compared to 2023 and is credited to the intended effect of the Notice of Intent to Litigate statute.
  - 32% of lawsuits are brought within 6 months of the First Notice of Loss (FNOL), a 35% increase compared to 2023.
  - Citizens has begun using its new alternative dispute resolution through the Division of Administrative Hearings (DOAH) arbitration process, invoking four claims in the first four months of 2024.
  - 47% of new lawsuits are catastrophe claims (up 24% from 2023 period) and 53% are non-catastrophe.
  - AOB lawsuits have decreased by 61% compared to the 2023 period and now represent 12% of all new incoming lawsuits.
  - Non-weather water lawsuits are up 5%, now representing 26% of all new lawsuits.
- Pending lawsuits have decreased 11% (17,150 lawsuits compared to 19,312)
  - 48% of all pending lawsuits are catastrophe claims (down 1% from 2023 period).
  - Pending AOB lawsuits have decreased by 28% compared to the 2023 period and now represent 25% of all pending lawsuits. Citizens reports that this is a direct result of the new AOB legislation.
  - Non-weather pending lawsuits are up 12%, representing 25% of pending lawsuits.

Catastrophe lawsuits remain the leading claim type for both new and pending lawsuits. Various breakdowns of the above data are included in the slide deck linked above.

#### Vendor Update - Cherie Hamilton (in for Greg Rowe) (Two items)

- [Mobile Home Demolition Services - Action Item](#) This is approval for a new contract to replace the

current one that expires in October 2024. This contract is with five primary and five contingent vendors to provide timely delivery of Mobile Home Demolition Services that include demolition, removal, and disposal of mobile homes for Citizens' policyholders who have sustained total losses from non-catastrophic and catastrophic residential property insurance claims. The contract has a three-year base term with one three-year optional renewal term, for an amount not to exceed \$1.3 million for the life of the contracts.

**APPROVED for Board of Governors consideration at its July 10, 2024 meeting**

- [Roof and Property Reporting Services - Consent Item](#) This is approval for \$905,000 in additional contract spend under Citizens' current contract with Eagleview Technologies, Inc. for roof and property reporting services. This would result in a total approved spend of \$3,057,000. The Board previously approved \$2,152,000 in spend for the life of this contract from January 2023 through contract expiration in January 2026. Due to higher than anticipated usage, in part due to Hurricane Idalia, there will be insufficient funds to cover expected usage for the remainder of the contract term. It is estimated that the existing approved spend will be depleted by the end of this year (2024). In order to expedite the claims handling process, Eagleview roof reports are automatically ordered on every CAT claim.

**APPROVED for Board of Governors consideration at its July 10, 2024 meeting**

**Addendums**

- [Recovery Cases of Interest](#)  
For information purposes only.

- [Special Investigations Unit](#)  
For information purposes only.

**New Business**

**NONE**

**Adjournment: 1:13pm**