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Citizens Claims Committee Conference Call of 9-11-25:

(meeting agenda and supporting documents/reports available at <https://www.citizensfla.com/-/20250911-claims>) Meeting started at 1pm.

Claims Committee

- Josh Becksmith – Chair
- Jason Butts
- Erin Knight
- Frank White
- Jon Palmquist - Technical Advisor
- Jay Adams – Staff

Approval of Prior Claims Committee Meeting Minutes (June 12, 2025 Claims Committee Meeting)
[Approval of Prior Claims Committee Meeting Minutes 6.12.2025](#)

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Approval of Claims Committee Charter
[Approval of Claims Committee Charter](#)

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Non-Litigated Claims Vice President Report (by Craig Sakraida, VP of Non-Litigated Claims)
[Non-Litigated Claims Update](#) (slide deck)

Chair Becksmith announced that the committee members had received this update from the slide deck and the Litigated Claims Update (below) in their packets and asked if there were any questions or clarification needed. There was one question but otherwise both of these were skipped and there was no formal presentation for the fourth consecutive Claims Committee meeting.

The report noted that Citizens' catastrophe response system has been tested and is ready. Specifically, it has increased its capacity of Independent Adjusters "through system and process enhancements."

The slide deck contained the following five bullet points on non-litigated claims data through July 31, 2025:

- New claims reported have decreased 36% from July 2024; FNOL claims from the 2024 Hurricanes still being reporting up to the one year statute
- Total claims pending have decreased 24% from July 2024
- New Non-Weather Water claims reported decreased 38% from July 2024
- **Emergency Water Restoration Services acceptance rate has increased from 60% to 82% comparing July 2024 to June 2025**
- Managed Repair Program participation rate has decreased 1% from July 2024

The committee's technical advisor Jon Palmquist commented on the increase in the number of policyholders now participating in the Emergency Water Restoration Services "which is great," but asked Rowe to what rate had the Managed Repair Program fallen.

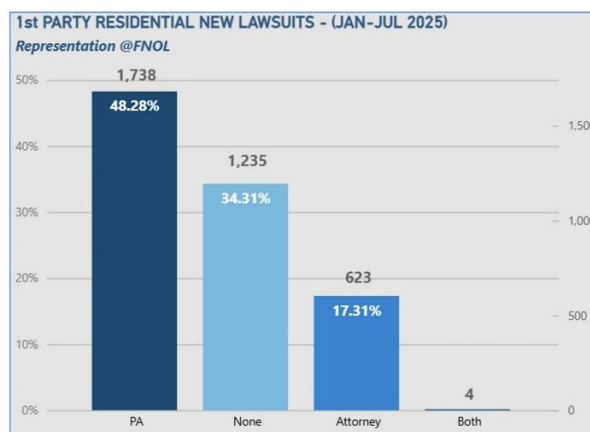
"The Managed Repair Program runs between 21% to 26% (participation rate) and they're looking at a snapshot in time, so those numbers are going to vary significantly depending upon the number of claims that go in, as well as where we are in the cat season," replied Sakraida. He agreed with Palmquist's further comment that the program participation rate has grown steadily since its premier in 2017.

Claims Litigation Vice President Report (by Elaina Paskalakis, VP of Claims Litigation)

[Litigated Claims Update](#) (slide deck)

Likewise, this formal presentation was skipped over for the fourth meeting in a row. The slide deck provided litigation data from January through July 2025 as follows:

- **Citizens had 3,721 lawsuits, averaging 532 new lawsuits per month, a decrease of 34% over the same seven-month period in 2024 (808 lawsuits per month).**
- Pending volume was 10,569 lawsuits as of July 31, 2025, a 37% decrease from the same time period last year (16,823 pending lawsuits).
- 39% of the incoming Residential Property lawsuits arose from the Tri-County area of South Florida, a decrease of 59% from the same period last year, primarily due to the increasing distribution arising out of other areas of the state.
- **The plaintiff was represented at First Notice of Loss (FNOL) in 66% of incoming residential property lawsuits, a 37% decrease from the same period in 2024.** Public adjusters provided representation in nearly half the cases, per the chart below.



- **The Notice of Intent to Litigate statute is working as intended:** Less than 1% of first-party residential lawsuits had not previously disputed Citizens' position or claim adjustment before filing suit.
- 30% of lawsuits were brought within 6 months of the FNOL, a 42% decrease compared to the same period in 2024 "and is expected as we move farther away from a CAT event," according to the report.
- **AOB lawsuits continue to drop;** they decreased by 26%, now representing 10% of all new residential incoming lawsuits. Pending AOB lawsuits have decreased by 57%, compared to the same period in 2024 and now represent 14% of all pending residential lawsuits.

The slide deck also contained an update on Citizens cases before the Florida Division of Administrative Hearings (DOAH), Citizens relatively new dispute resolution method that may be invoked by either Citizens or the policyholder in lieu of a lawsuit. It was made available to policyholders with a policy issued on/after February 1, 2023. **The program, however, is currently under court injunction as of mid-August 2025, pending resolution of a policyholder's lawsuit.** As of August 12, 2025:

- **1,572 claim disputes have been referred to DOAH for dispute resolution, with 1,012 having fully resolved.**
- **The average resolution time is 90 days in the DOAH process, as compared to 620 days in the state court process.**
- The average cost of defense to resolution is \$9,615, as opposed to an average cost of \$20,688 in state court.
- **The majority of cases have been resolved through voluntary settlement (79%);** that includes 52% of the cases where the insured accepted a nominal settlement amount (\$500 or less).
- The insured abandoned their dispute in 10% of the cases.
- 11% of the cases have proceeded to a Final Hearing before DOAH (as compared to state court where 1% of cases proceed to trial due to the overburdened system).

Citizens states **"The DOAH dispute resolution program has proven beneficial to insureds as well as Citizens...providing a reasonable time frame, as opposed to the state court system that is overburdened and cannot reach cases in a timely fashion."**

Vendor Update (by Greg Rowe, Senior Director of Claims Vendor & System Management)

[Court Reporting Services](#)

Rowe came to the meeting with four items but this first one (Court Reporting Services) was tabled at his request, as Rowe said "we're doing some additional work on those contracts."

[Claims Legal Services](#)

Rowe, referencing the Litigated Claims Update above, noted that **"litigation has decreased by 34% compared to the same time period from last year. And as of May of 2025, we've actually seen a 17% reduction in legal spend compared to what it was back in January of 2025, so we are headed in the right direction."**

Chair Becksmith Q: “I would imagine, but I don't want to assume that this is the case, that it's a combination of a couple of things. One, obviously some of the reform that was passed, the depopulation, and then just maybe luck of the draw, with regards to some of the catastrophes. Is that a pretty good assessment?”

Rowe A: “All of the above, for sure. We can't control the weather, and like you said, we have dodged some bullets there. But all the strategies that we put forth, including all the legislative assistance that has helped us in that arena, has certainly proved to be effective, and that's why we're seeing a significant decrease, and hopefully it stays that direction.”

Rowe said that although Citizens anticipates further reductions in both the number of lawsuits and its spending on them, it nevertheless needs the next \$50 million installment to spend on outside legal services. The Citizens Board of Governors had originally approved a \$500 million package of legal services over five years (through February 2027) for outside law firms to provide representation in claims-related pre-suit and litigation matters. With that cap already approaching, the Board this past June approved an additional \$250 million through February 2027, according to Rowe. Rowe said as of August 1, Citizens had spent \$499 million so far in the contract period.

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[Mobile Home Demolition Services](#)

Another thing that the Citizens Board directed in June was that certain proposed spending by staff now include an estimate of catastrophe-related spending. Previously, Citizens never budgeted for Cat events, given the inability to know their future number, size, or cost.

“They've asked for any additional contracts moving forward, that we try to allocate a certain percentage of spend, just to try to project both non catastrophe and catastrophe spend,” explained Rowe. This contract, approved in July 2024 for \$1.3 million through 2030 for removal of mobile homes declared a total loss, has already seen \$990,000 spent to date, due to the impacts of Hurricanes Debby, Helene, and Milton, he said.

The revised estimated spend for the entirety of the contract is now approximately \$6.6 million.

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[Comprehensive Roof and Wall Valuation Services for Insured Losses](#)

Rowe described this contract as “mission-critical” to Citizens. “What this does is it provides aerial imagery to Citizens and automated measurements and sketches of roofs directly into our claims estimating platform known as Xactimate,” he explained. “So, in essence, every single catastrophe claim that we have, we auto request one of these reports. So when the adjuster gets the claim, they open up their Xactimate estimating tool and they already have a picture of the roof, pre-storm, with all the associated measurements of that particular roof, what the roof structure is, and roof structure components. It's really phenomenal what they get. So it not only just provides, I'd say, accurate measurements, it's a huge time saving automation tool that we leverage in a catastrophe,” added Rowe.

Citizens current contract with vendor EagleView ends in January 2026. Rowe said Eagleview is the only vendor that offers the ability to integrate with Xactimate. Rowe and staff are seeking approval for \$9.7 million based on current projected usage, for a new three-year contract with Eagleview. Citizens would

continue to pay on a per-report basis, as needed, with no minimum commitment. Rowe said Eagleview reduced its pricing in the new contract, “so that’s always a win and certainly something that we don't see very often in this arena,” he added.

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Addendums

[Recovery Cases of Interest](#)

[SIU Addendum](#)

New Business

NONE

Adjournment: 1:20pm