

Independent Adjuster and Re-inspection/Quality Assurance - Update

Certification Process

As of September 25th all 45 contacted independent adjusting firms have certified they have trained a total of 6,755 adjusters.

In addition, Citizens claims department deployed an online Learning Management System (LMS) in August. This system currently allows Citizens to track adjuster transcripts of all classes delivered whether live or through distance learning methods. In the six weeks since deployment, the LMS has tracked and now hosts 4,470 users, certifying a total of 46,141 courses completed. These completions include the 13 original classes delivered to each adjuster and an additional online course focused on adjuster ethics.

Through the use of the LMS, expanded distance learning methods and testing Citizens is moving toward a fully integrated pre-deployment certification process for this storm season. In 2008, all adjusters will be permitted to add to their current transcripts and certify completion of new classes focusing on: Coverage, Policy, Enhanced Customer Service/Sensitivity training, and other areas.

Florida Building Code/County Codes

In Florida, code enforcement is generally considered the responsibility of Building Code Inspectors. The current Florida Building Code (2004) spans multiple volumes and includes special publications for Hurricane Zone areas, Existing Buildings, Residential Structures and many other specific publications. Due to the complexities of administering such a large code, the State of Florida requires the licensing of Building Code Inspectors. While Citizens adjusters are not required to be experts in the Florida Building Code to adjust claims these codes are relevant and cited during the initial phase of the claims handling process because Citizens does offer Ordinance or Law coverage.

Many of Citizens' residential policies, as well as a select number of commercial policies, contain limited coverage for an increased reconstruction cost caused by the enforcement of Ordinance or Law. When a loss is claimed for Ordinance or Law under a Citizens policy it indicates that there has been an increase in the reconstruction costs covered because of the enforcement of code upgrades. This claim is considered a supplement to the original claim and does not require a new deductible. Generally, with proper documentation, the entire Ordinance or Law claim is handled by an examiner without any need to re-inspect the loss.

An example timeline for a code enforcement claim is included below:

October 1 – Claim Submitted for roof damage.

October 15 – Adjuster Attends loss and writes estimate for tile damage repairs though it is noted that the roof decking may not be code compliant. Actual cost of repairing tiles \$10,000.

October 16 – Check is issued for \$9,000 for tile repairs, less \$1,000 deductible.

October 20 – Insured calls to advise that roofer said roof will not pass inspection and he cannot get a permit for repairs as estimated. Adjuster reviews documentation needed for Ordinance or Law claim and verifies insured qualifies for coverage.

October 21 - Roofer presents repair plan to building code officer and it is rejected. Roofer presents plan to bring roof up to code and replace entire roof, this plan is accepted and permit is issued.

October 22 – Roofer gives all material to Insured and Insured signs contract for a total of \$20,000. All documentation submitted to Citizens.

October 23 – Citizens receives material including:

1. The original rejection of the repair plan.
2. The new accepted repair plan according to code enforcement.
3. A signed contract.

October 24 – After review, Citizen verifies the costs are inline and a supplemental claim check is made for \$10,000. The \$10,000 increase is due to the code enforcement. This check is issued by an examiner, not by the adjuster. The decision to enforce the code remains at all times with the code official.

Although code interpretation rests exclusively with building code officials, during orientation Citizens does review certain local codes that are often cited by builders and Public Adjusters. An example of such a code is known as the “25% roofing rule”. As shown above, the policy covers for the actual loss and if a code is enforced, the documentation should be submitted and a supplemental claim made for the increased amount. Not all Citizens policies contain this coverage.

Re-inspection and Quality Assurance

Citizens has internally staffed a Quality Assurance (QA) group to focus on review and analysis to supply feedback on the quality of independent adjusters, including the level of customer service supplied and accuracy of claims estimates and coverage decisions. Through Citizens procurement procedures, additional resources have been secured to augment the current staff in order to quickly and efficiently accomplish re-inspections and file audits following an event. The re-inspection program is in place and has been fully operational since before the 2007 storm season. Additionally, the QA and claims training units worked along with Citizens Information Technology team and an outside vendor to create a program will not only track from storm to storm but year to year. Through the use of this system, Citizens is now able to track adjusters over time and identify those who perform at a high level so they can be utilized in future catastrophic events.