



# Hurricane Mediation

Citizens Task Force on Claims

June 4, 2007

Tallahassee, Florida



# Overview

1. The Context: 2004-2005 Storms
2. Florida's Mediation Program
3. Mediation Statistics



# Florida's 2004/2005 Top Hurricanes

- Charley 150 mph \$7.7 billion
- Frances 105 mph \$4.8 billion
- Ivan 130 mph \$7.4 billion
- Jeanne 121 mph \$3.6 billion
  
- Dennis 120 mph \$2.2 billion
- Wilma 120 mph \$10.3 billion



# Mediation

- Bringing two or more disputing parties together through a neutral third-party to negotiate an agreement.
- Results:
  - Settlement
  - Partial Settlement
  - Impasse



# The Challenge

- 2.7 million claims
- Damage—Pensacola to Florida Keys
- 100s of Insurance Companies
- Disputes
  - Repair v. Replacement (roofs)
  - Wind v. Flood
  - Pool cages
  - Documentation



# The Model

- Hurricane Andrew Mediation Model
  - Ø Not Applicable
- New Collins Center Model
  - Regional Super Centers
  - Specified Time Slots
  - On-line Scheduling System
  - Friendly Customer Service
  - One Shot at Mediation



# The Collins Center

- Design
- 30 days to start-up
- Lease 8 offices
- Hiring/Training—staff and mediators
- Scheduling
- Billing/Payables
- Monitor/Report



# Mediation Offices

<u>Original Offices</u>	<u>Current Offices</u>
<ul style="list-style-type: none"><li>➤ Pensacola</li><li>➤ Orlando</li><li>➤ Punta Gorda</li><li>➤ Jupiter</li></ul>	<ul style="list-style-type: none"><li>➤ Pensacola</li><li>➤ Orlando</li><li>➤ Ft. Myers</li><li>➤ Davie</li></ul>



# Mediation Process: Key Participants

- Mediator
- Homeowner/Spouse
- Insurance Company Adjuster
- Others:
  - Public Adjuster
  - Attorney
  - Contractors (General, Roofing, Engineer)
  - Department of Financial Services Rep



# Mediation Process

- Mediator
- Participants
- Joint session
- Private session
- Closure
- Draft agreement/Impasse



# Mediation Statistics\*

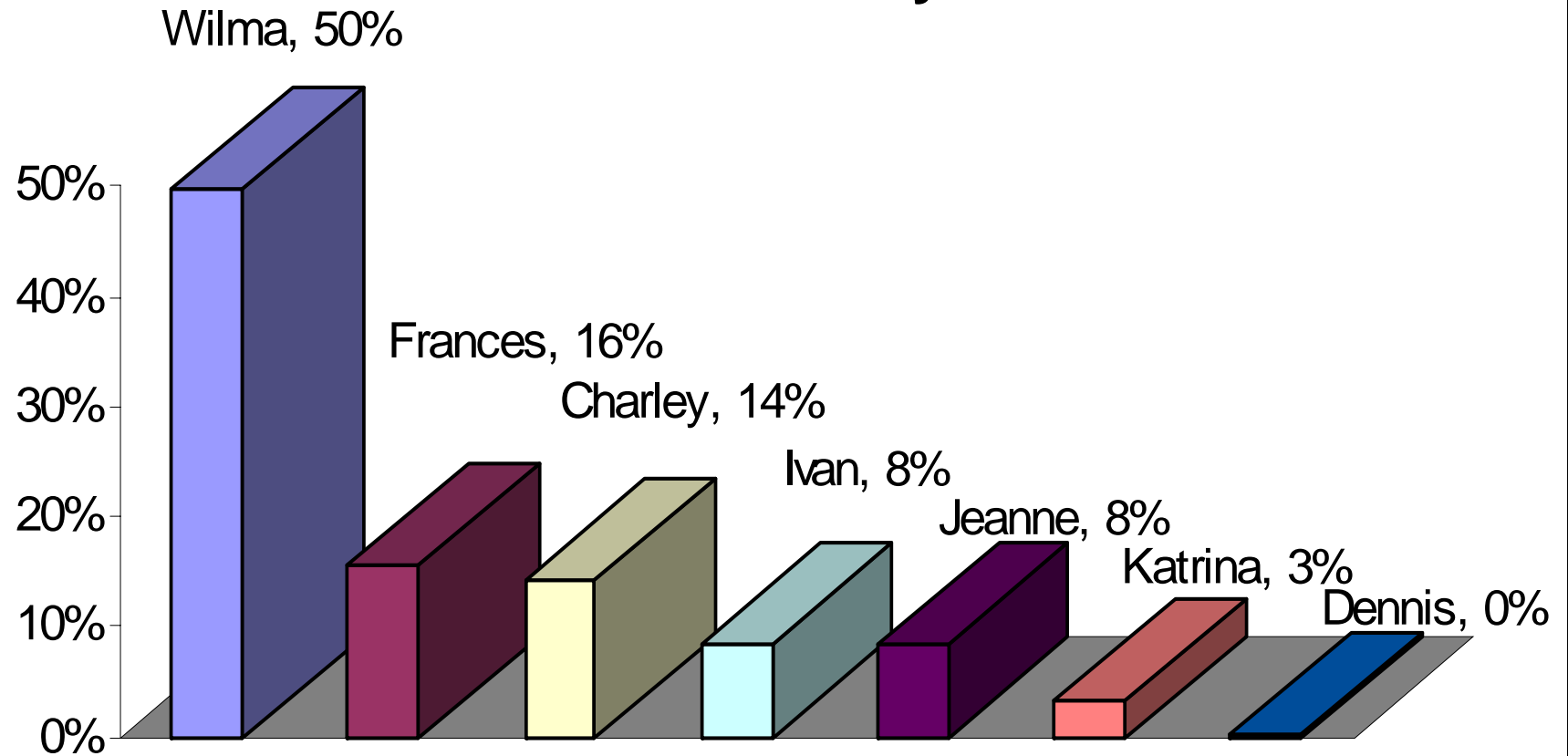
## All Storms

- 22,923 Mediation requests
- 22,141 Closed cases
- 88% Settlement, Partial, & Pre-settlements
- 12% Impasse

\* As of Friday, May 25, 2007



## Mediation Settlements by Hurricane





# Mediation Statistics\*

## 2005 Storms

- 9,600 Mediation requests
- 8,184 Closed Cases
- 84% Settlement, Partial, & Pre-settlements
- 16% Impasse

\* As of Friday, May 25, 2007



# Settlements

- Average settlement: \$23,058
- Settlement range: \$50 to \$1.5 million
  
- \$163 million settled in mediation
- \$211 million settled prior to mediation\*
  
- **TOTAL = \$374 million\***

**\*Estimated**



# What's Happening Now?

- Residential Mediations
  - Davie, Ft. Myers, Orlando, Pensacola
- Condominium Damage Mediations
  - 347 Mediation Requests
  - 66% Settlement Rate (Full and Partial)
- Appraisal