

# 2015 Water Summit

Jay Adams, Chief of Claims



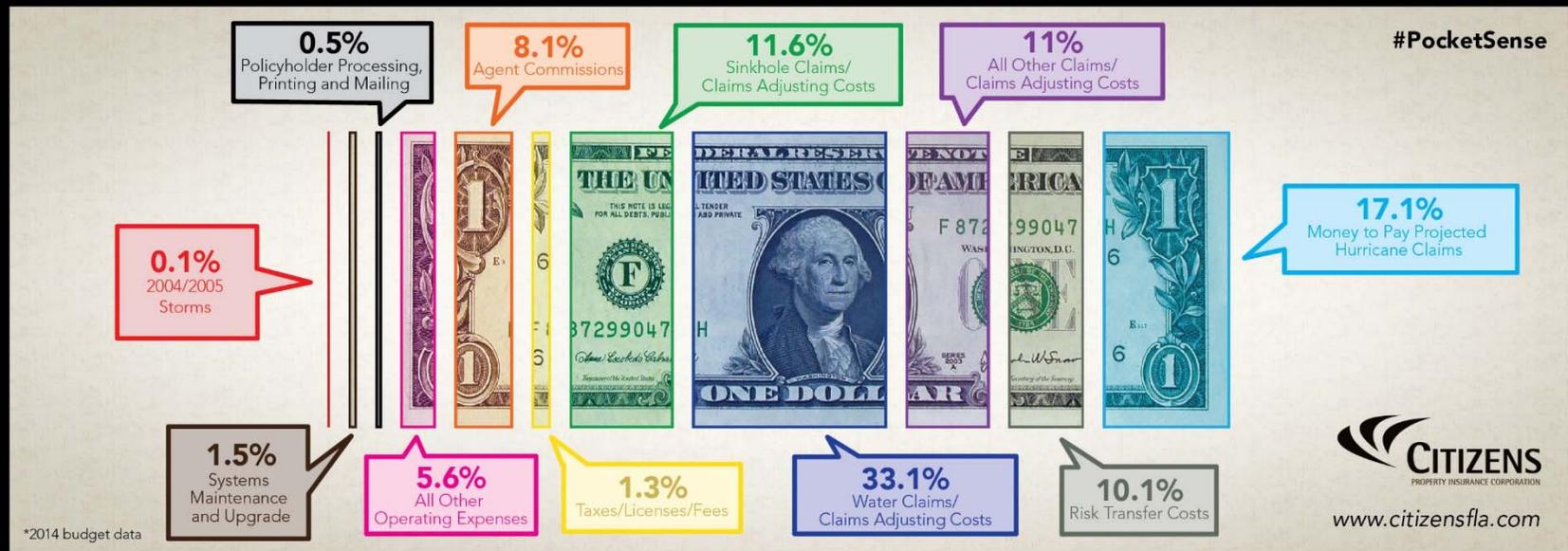
# Why do we need a Water Summit?

- Increasing number of represented claims at FNOL  
(24% in 2014)
- Increase in fraudulent or staged losses
- Increase in Assignment of Benefits (AOB)
- Increase in Suits received in litigation
- Claims handling concerns of inconsistent adjusting by a non-discrete team of adjusters
- Education across multiple teams and groups

# Why do we need a Water Summit?

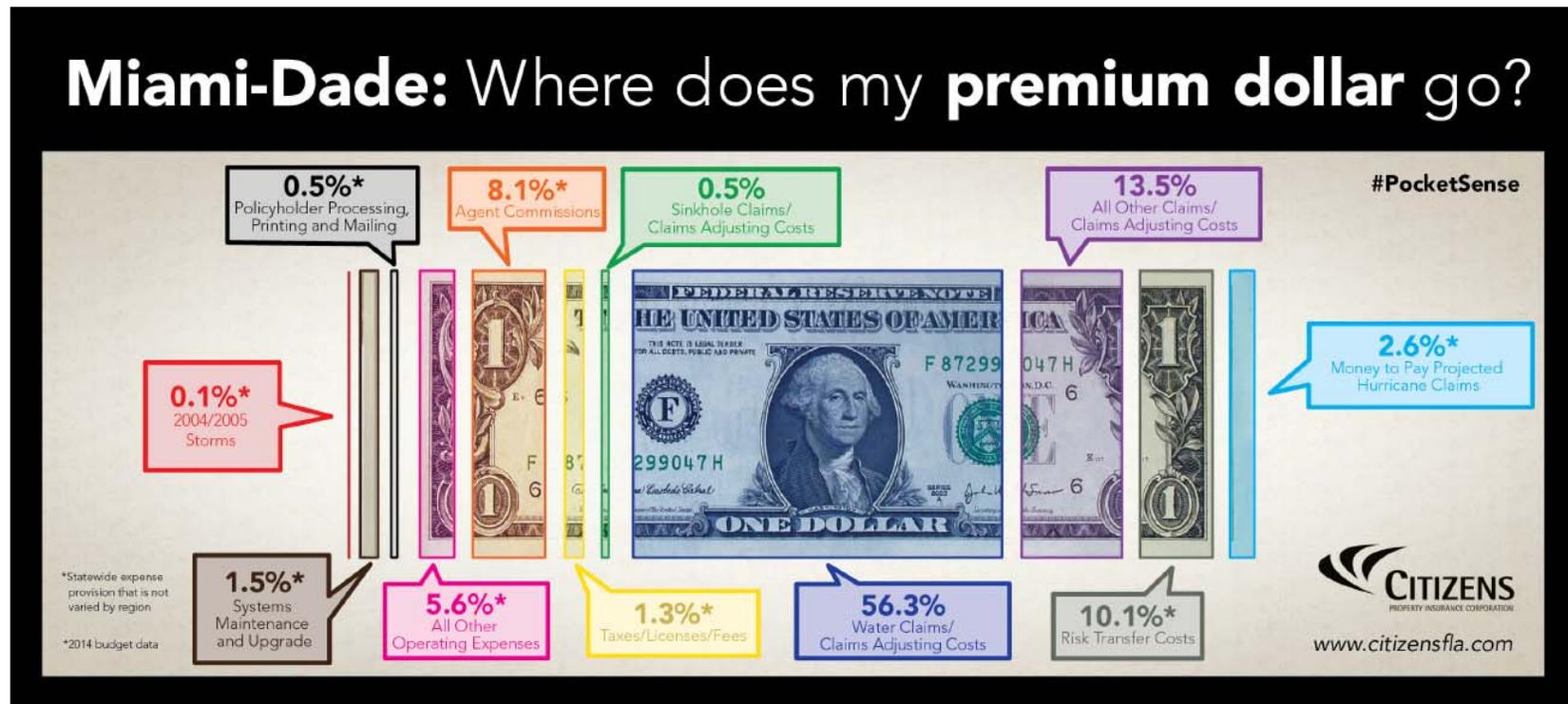
- Increased rate indications on premium

## Where does my premium dollar go?

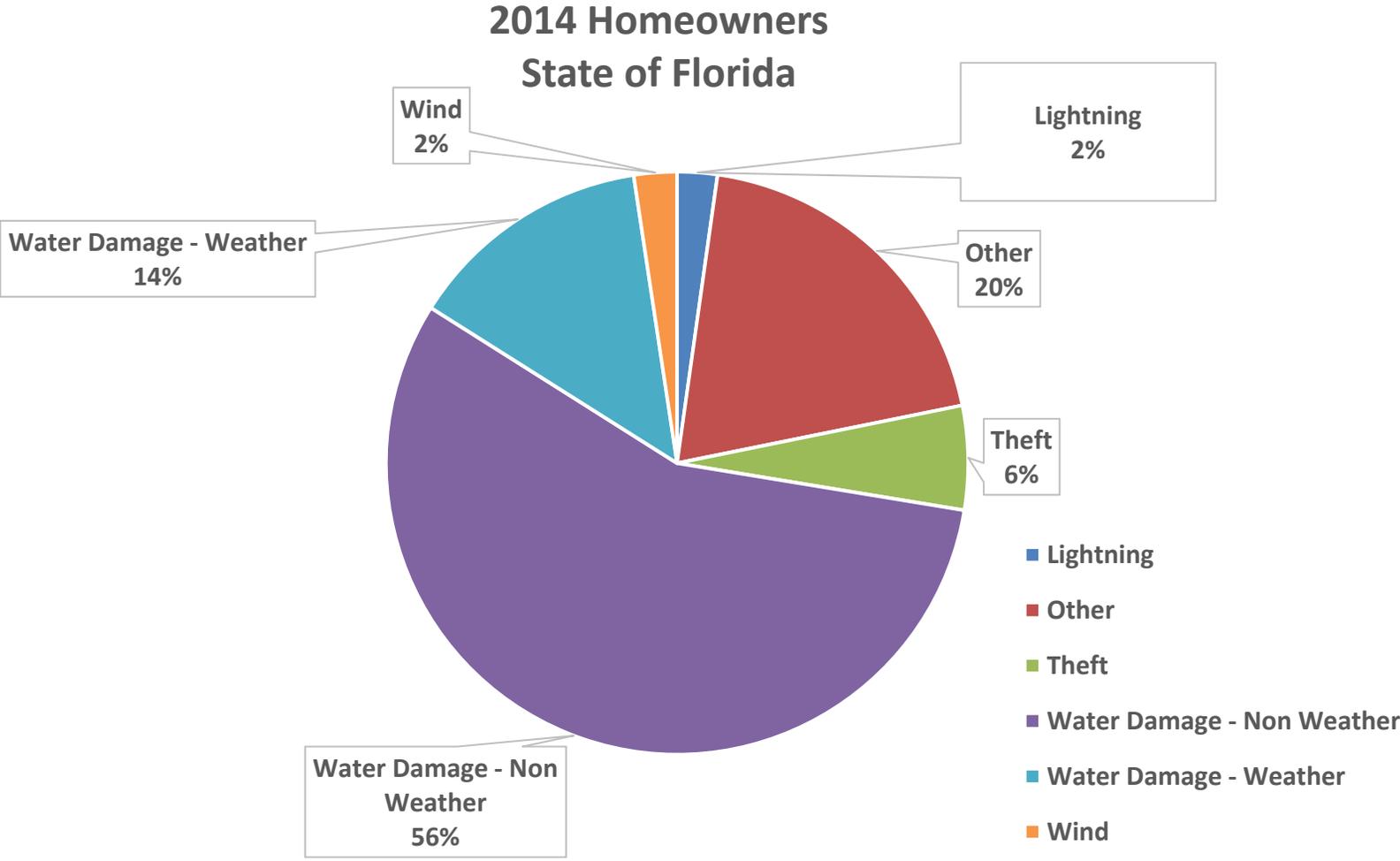


# Why do we need a Water Summit?

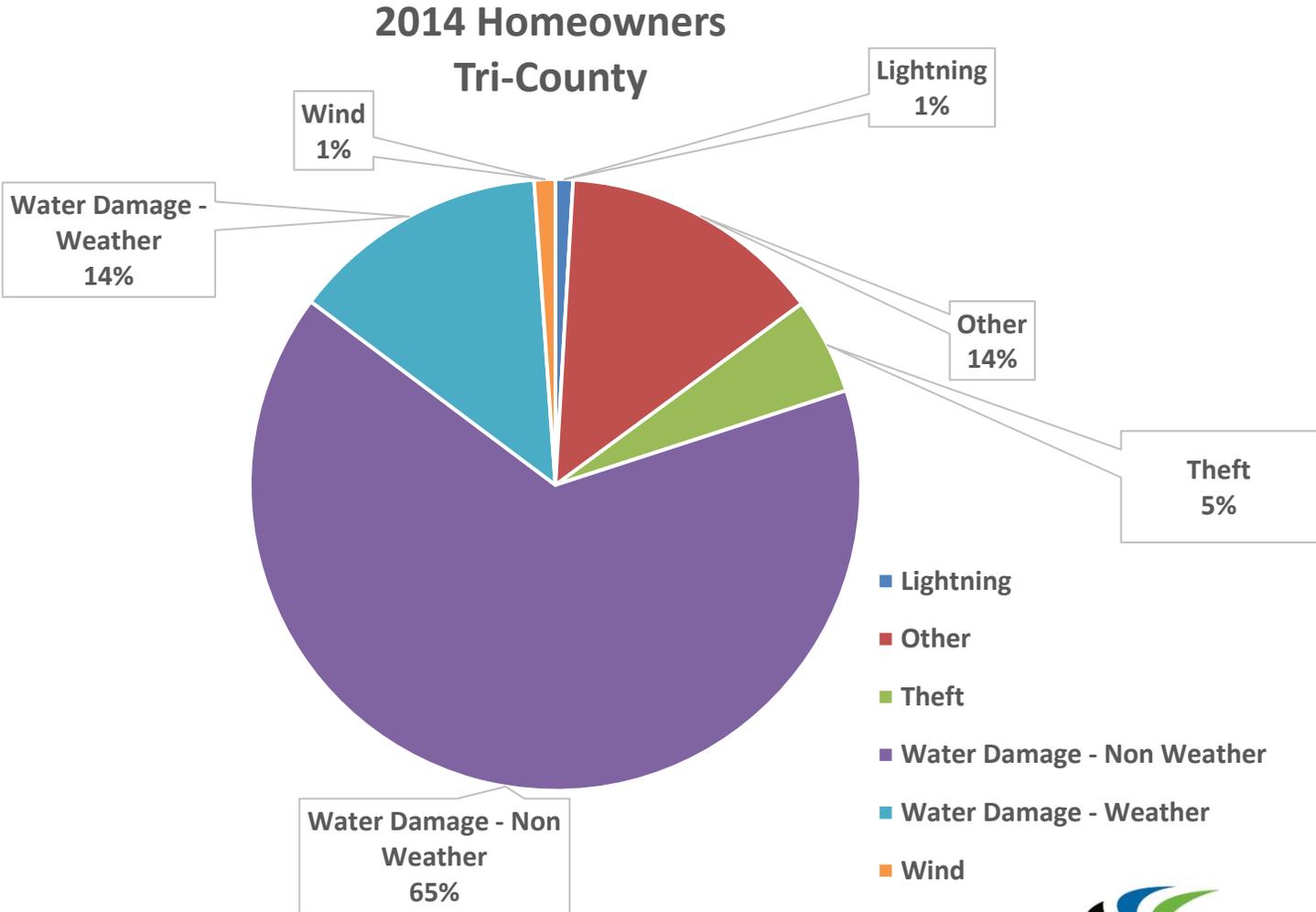
- Miami-Dade Increased rate indications on premium



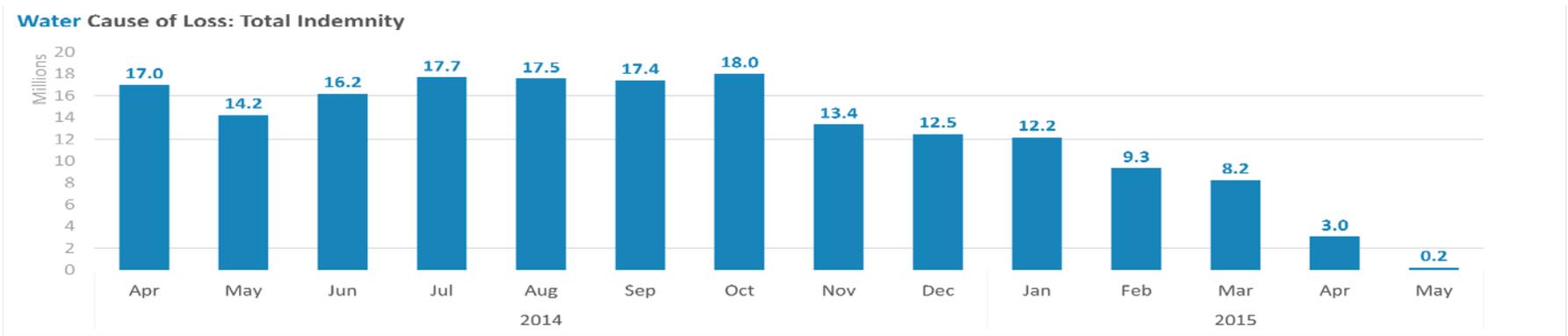
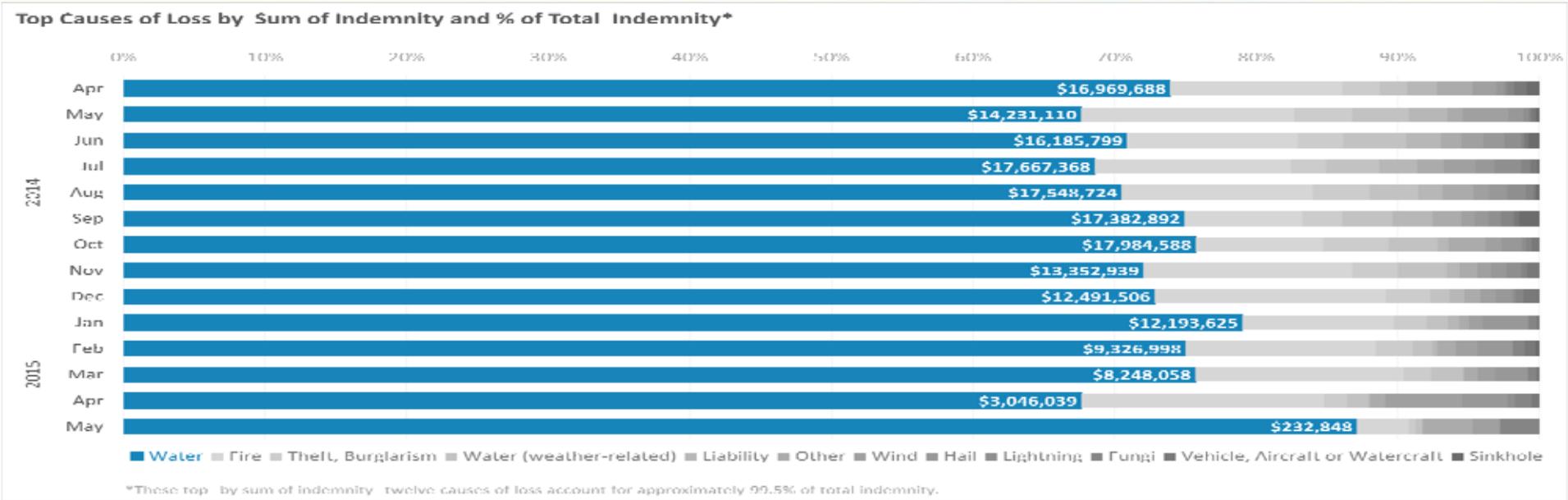
# 2014 Claims Volume by Cause of Loss



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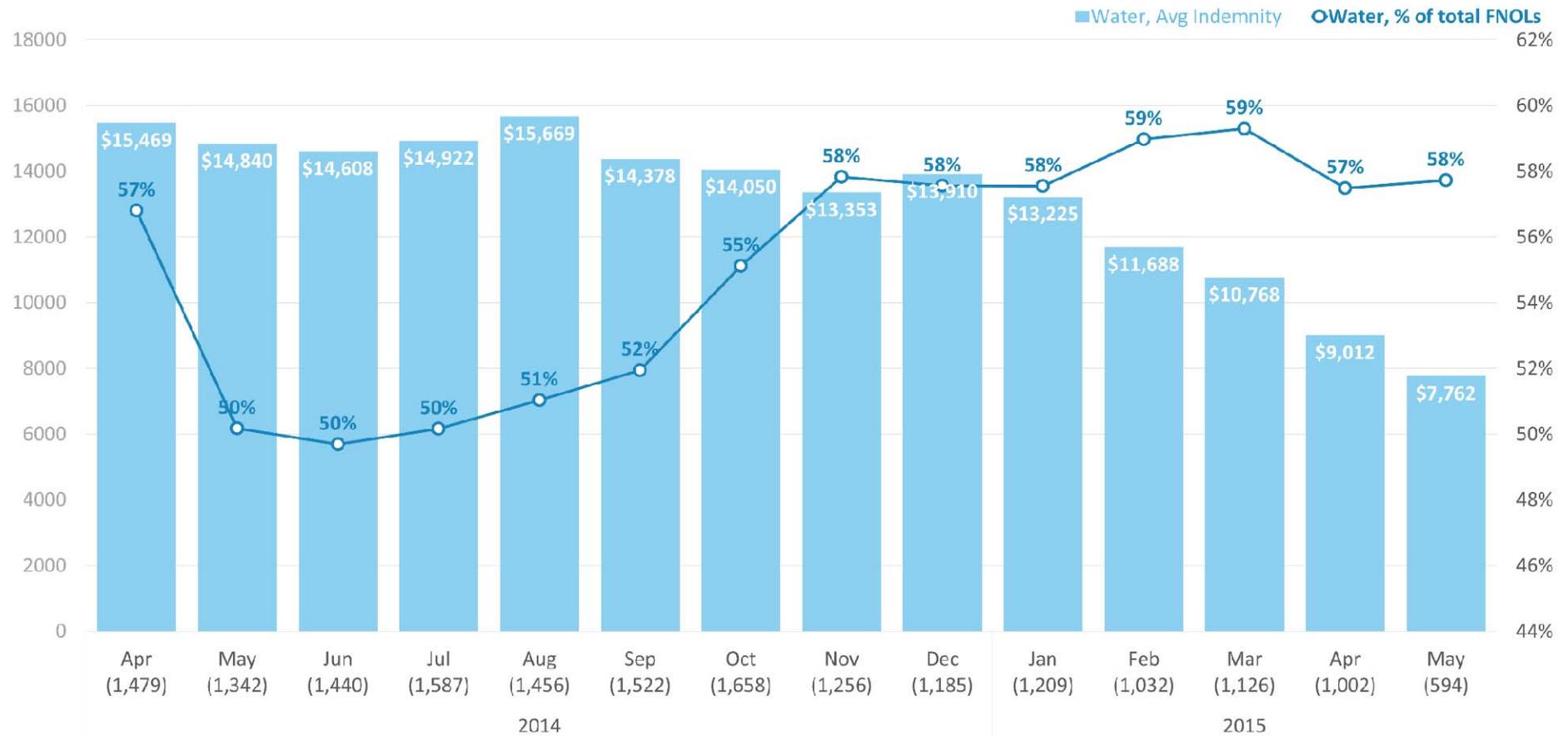


# Top Causes of Loss by Sum of Indemnity and Percent of Total Indemnity



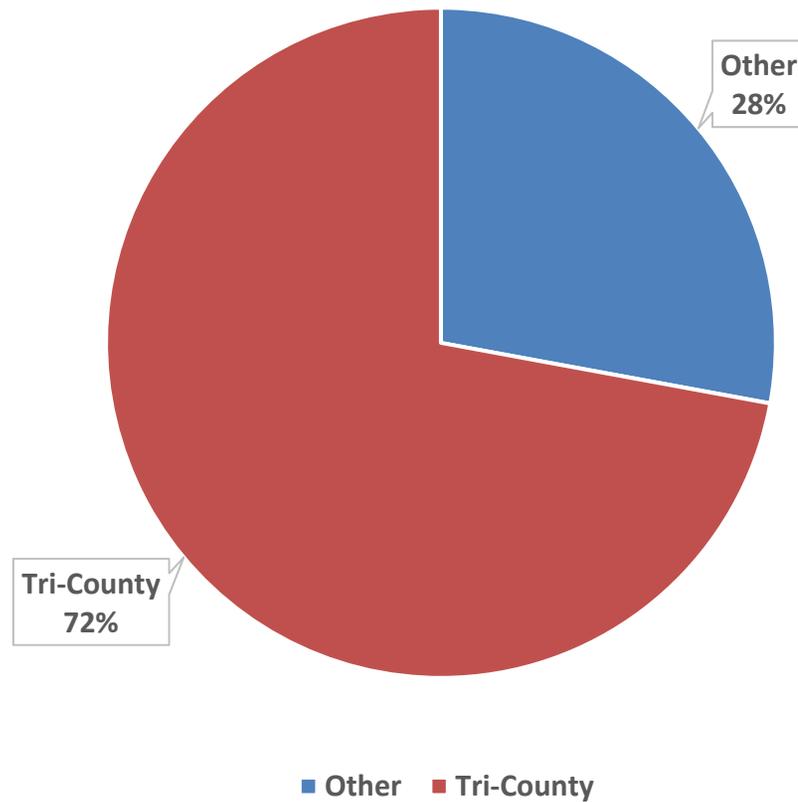
# Average Indemnity & Percent of Total First Notice Of Loss (Water Cause of Loss)

Water Cause of Loss: Average Indemnity and % of Total FNOLs and (Total Water FNOLs)



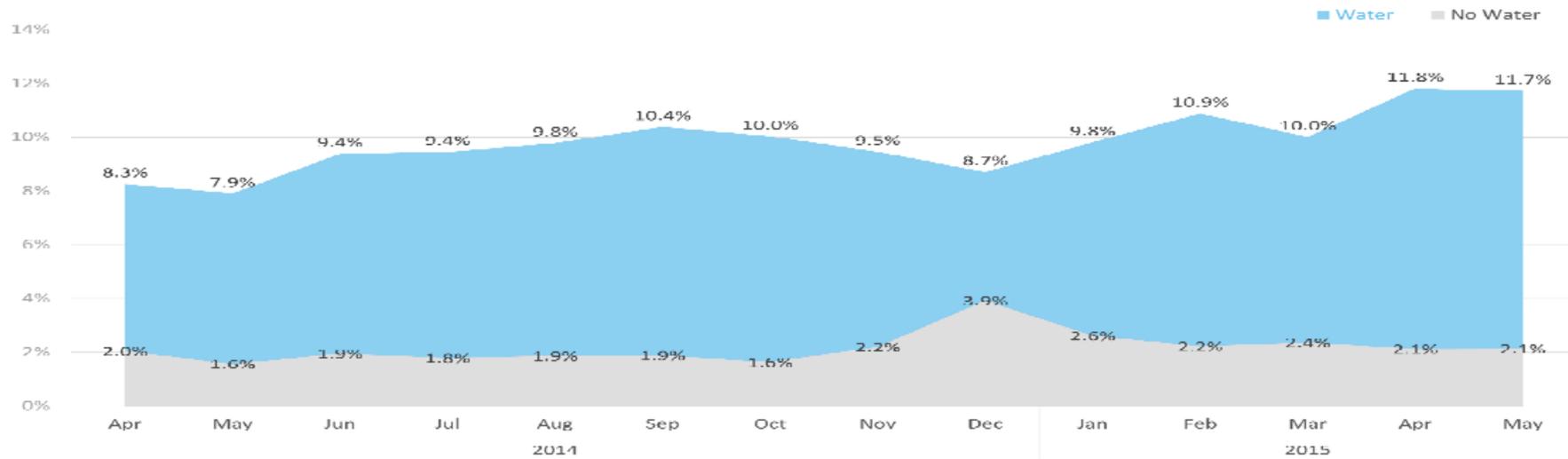
# 2014 Water Claims Volume

## 2014 Homeowners

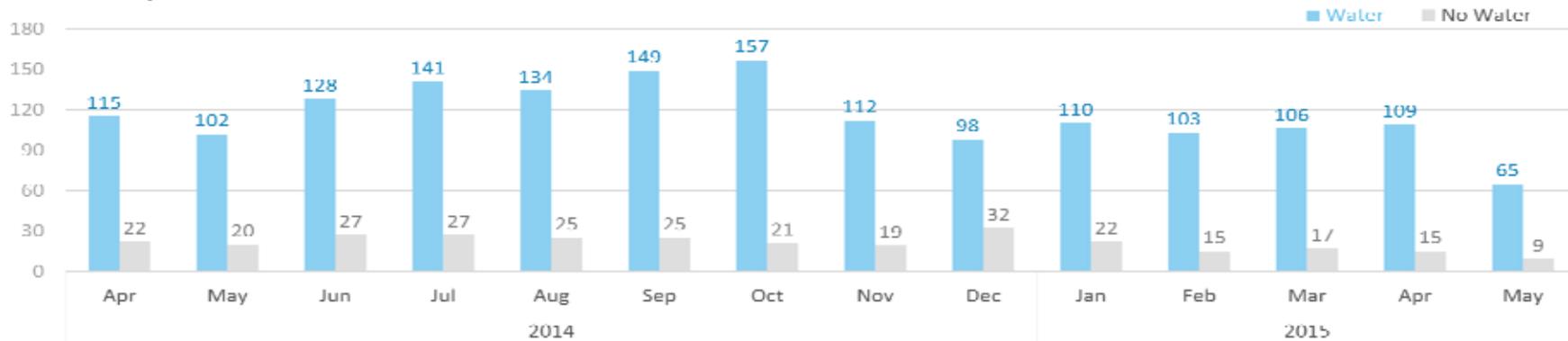


# % of Multiple Claims Filed at First Notice of Loss (Water and Other Causes of Loss)

% Multiple Claims Filed at FNOL: **Water** and All Other COL

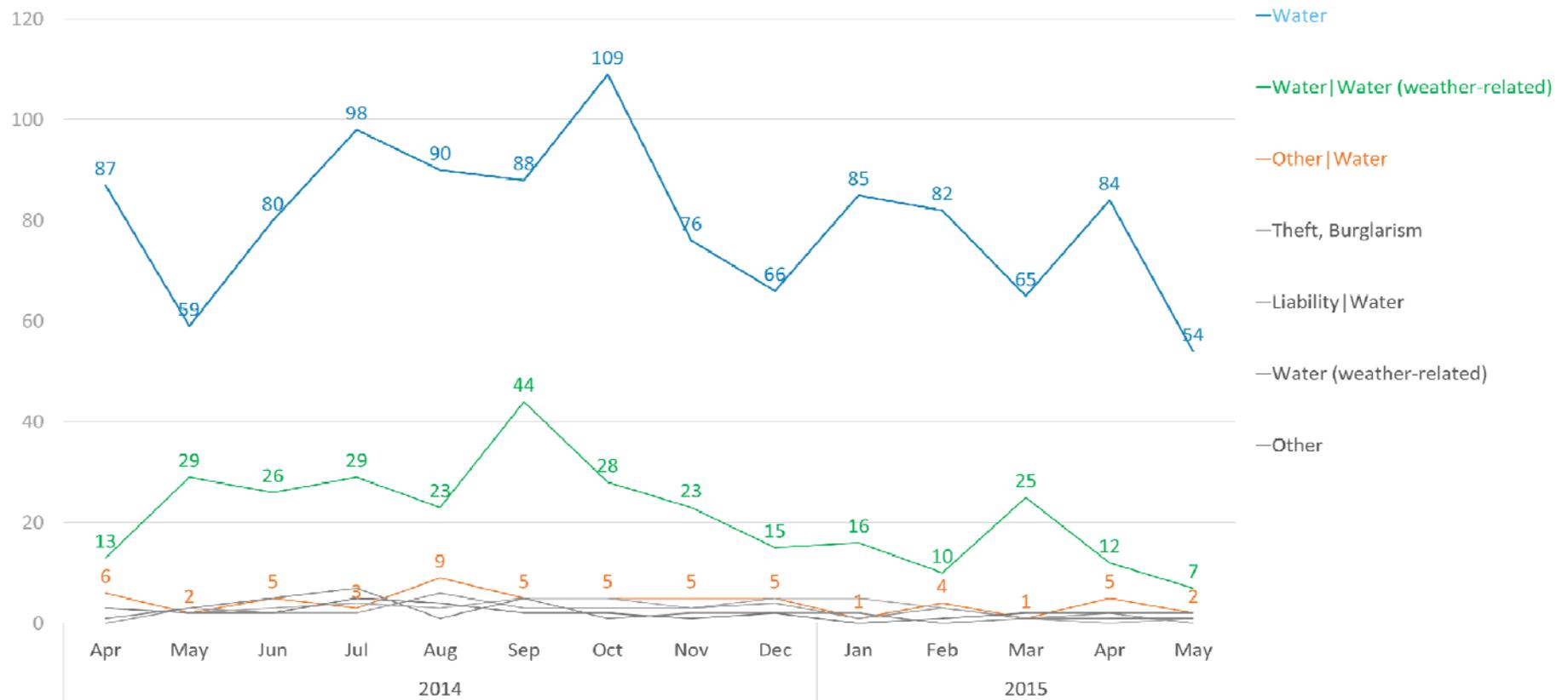


Count of Multiple Claims Filed at FNOL: **Water** and All Other COL



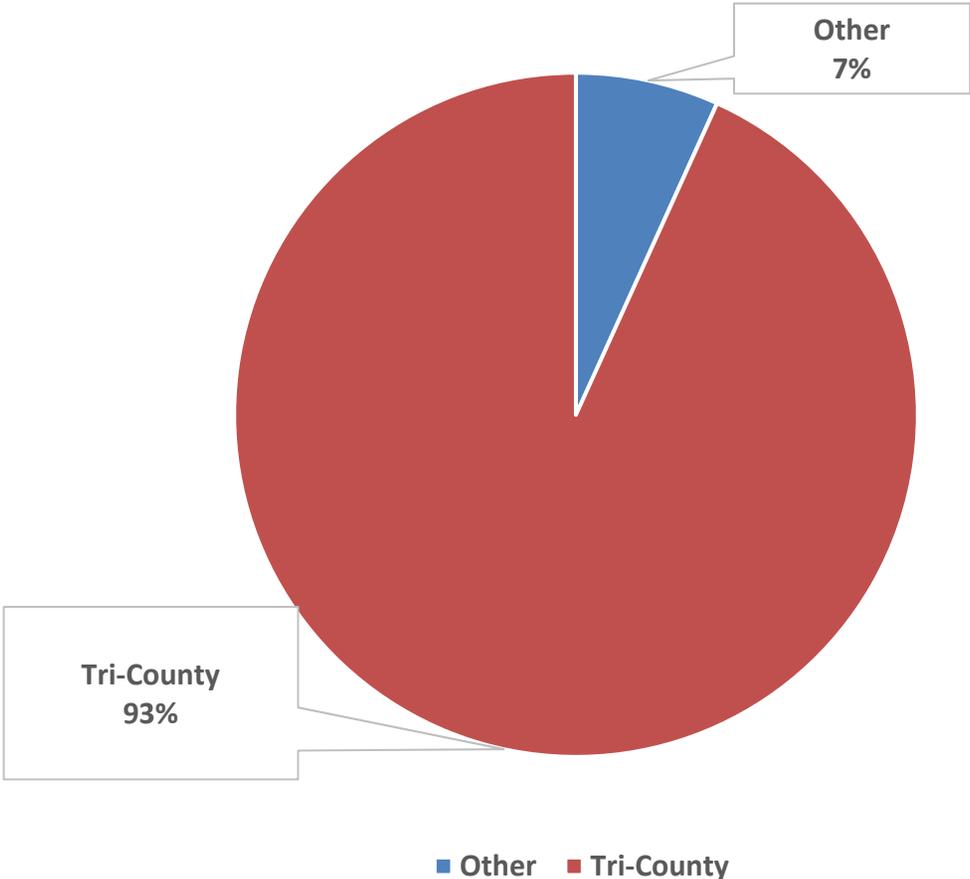
# Count of Multiple Claims Filed

Count of Top Pairs of Instances of Multiple Claims Filed at FNOL



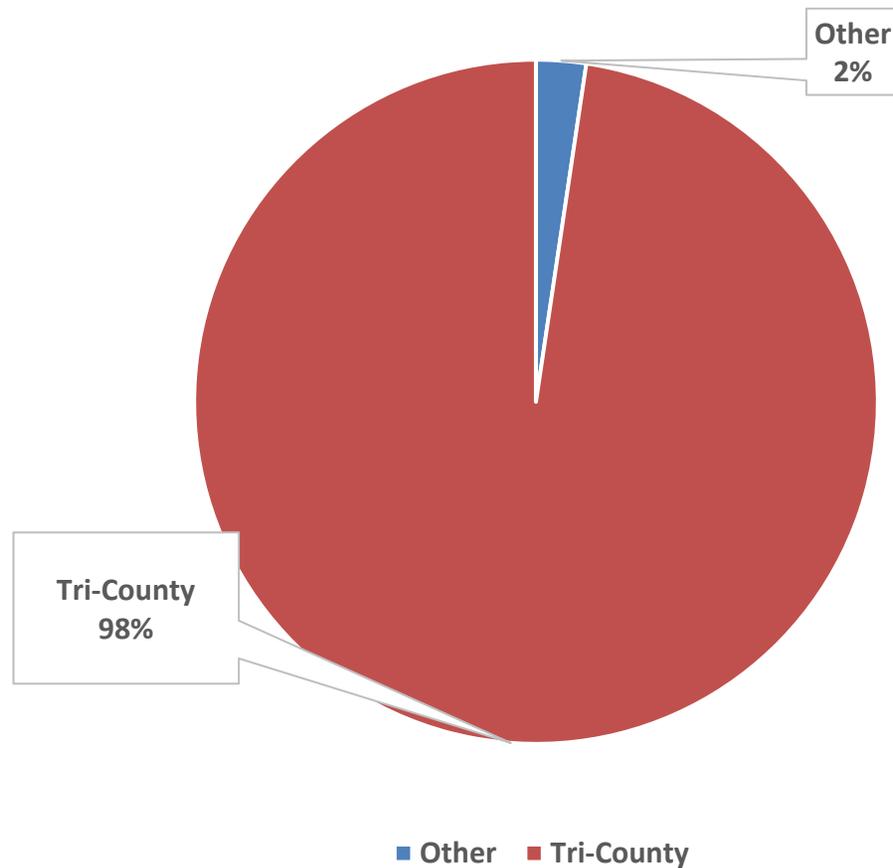
# 2014 Claims with Representation

2014 Claims with Representation



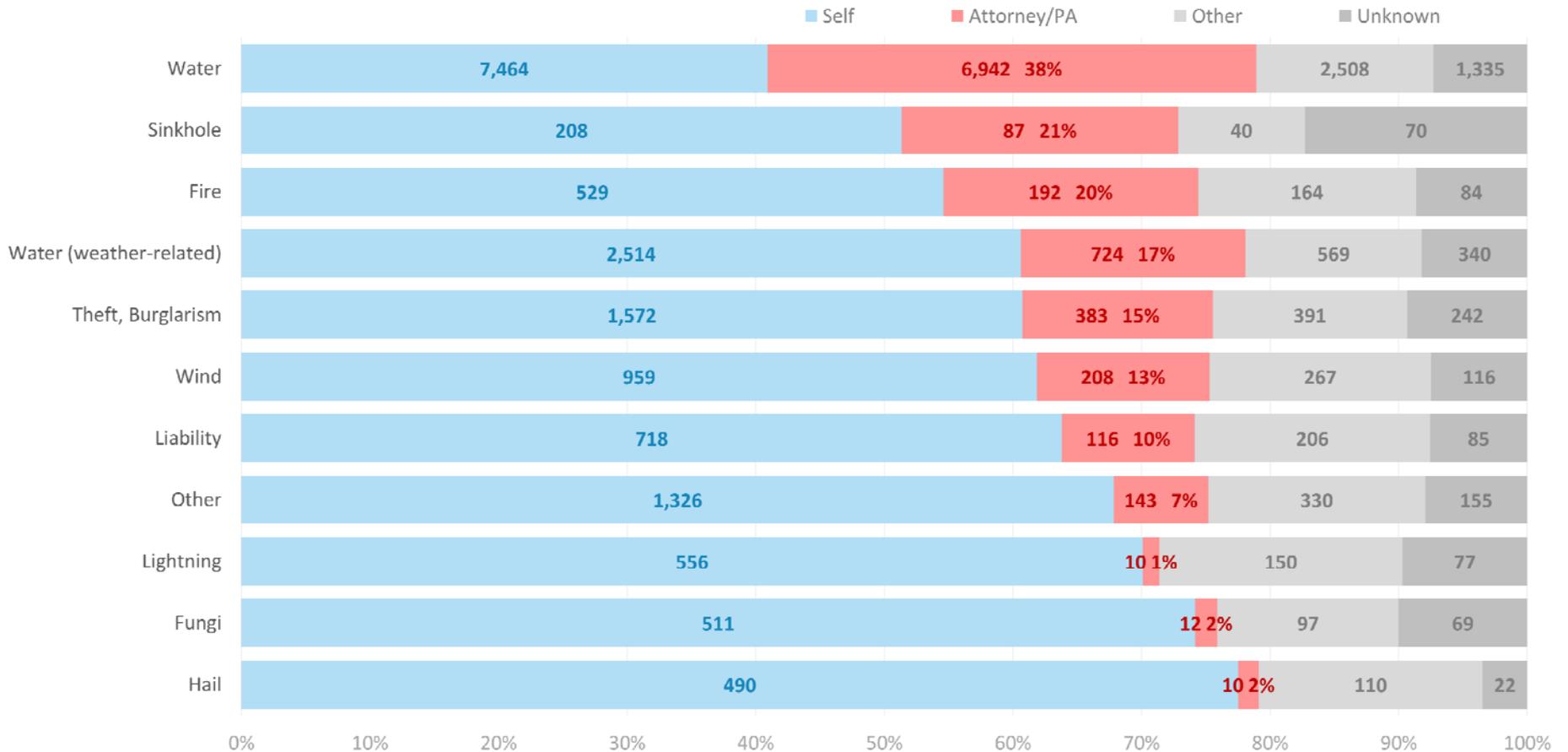
# 2014 Water Claims with Representation

2014 Water Claims with Representation



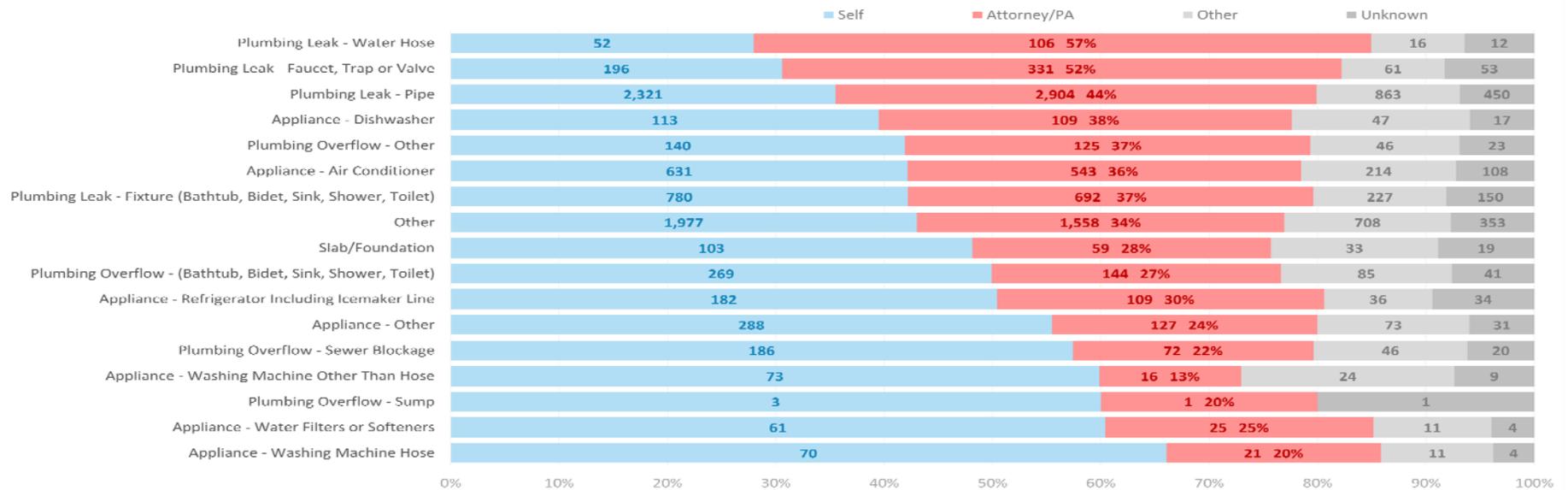
# Who Reported the Claim at First Notice of Loss?

FNOL Reported By, by COL and Count and % Distribution



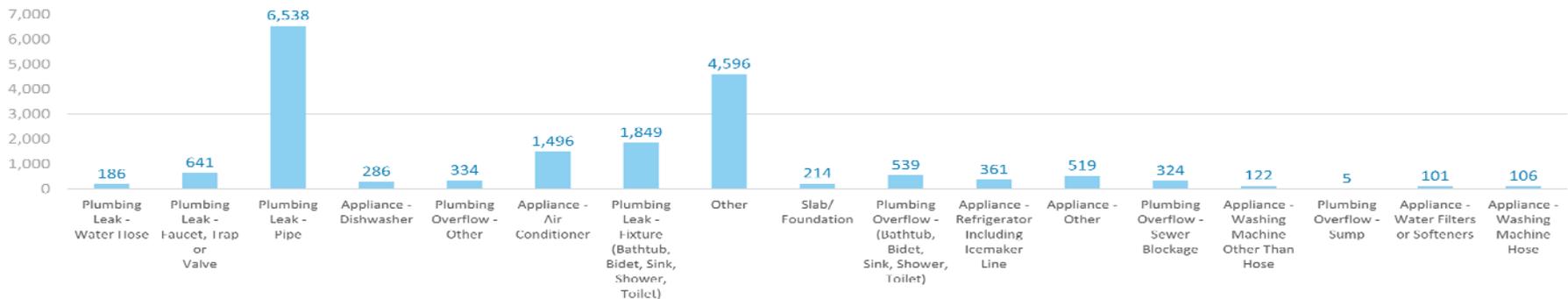
# Who Reported the Water Claim at First Notice of Loss?

FNOL Reported By for Water Sub COL, by Count and % Distribution



\*These top eleven by count of FNOL eleven causes of loss account for approximately 97% of total FNOLs.

Water Sub COL: Count of FNOL



# 2013 Litigation Study Statistics for Water

## **Water Claims**

- Represents 50% of all new reported claims
- Represents 75% of all Litigation

## **Miami-Dade**

- Represents 19% of total PIF
- Represents 67% of total Litigation
- Represents 68% of all water Litigation

## **Miami-Dade/Broward/Palm Beach**

- Represents 43% of total PIF
- Represents 93% of total Litigation
- Represents 96% of all water Litigation

# December 2014 Triage Team Statistics

562 new suits reviewed

- Water represented 513 suits or 91%
- Top 3 counties represented 549 suits or 98%
  - Miami-Dade represented 390 suits or 71%
  - Broward represented 139 suits or 25%
  - Palm Beach represented 20 suits or 4%
- 479 of 562 suits were represented at the First Notice of Loss (FNOL)

**Representation for water claims at FNOL has increased from 8% in 2009 to 24% in 2014**

# Assignment of Benefits (AOB) Team Statistics

	<u>Nov-14</u>	<u>Dec-14</u>	<u>Jan-15</u>
New AOB Suits Received	115	127	80
# of Suits with Water as COL	105	109	77
% of Suits from Tri-County	99%	91%	91%
Miami-Dade	82	70	40
Broward	25	35	24
Palm Beach	7	10	9

For **2013**, a total of **1,397** AOB suits were received  
For **2014**, a total of **1,526** AOB suits were received

ALAE severity for a litigated AOB claim is **60%** higher than  
a litigated claim without an AOB

# Vision for Water Claims

- Early fraud detection
- Enhancing the alignment of Adjustment Practices with Best Practices & Policy Guidelines
  - Moving towards an all staff team
- Establishment of process driven practices based on common scenarios received at First Notice of Loss
  - Creates consistency in the market
- Alignment of strategies between Non Litigation and Litigation that will allow for successful defense of suits
  - Continued partnership with Claims Legal
- Integration of SIU strategies that will be engaged in the Non Litigation and Litigation processes

# Prior State of Water Team

- Non Litigation water claims were not segmented
  - Handled by MCM adjusters
    - Up to 600 IA's deployed that could obtain a water assignment
  - Complex policy coverage interpretation
  - Difficult to determine the scope of damages
  - Lack of understanding of IICRC water guidelines for mitigation

# Enhanced State of Water Team

- All Non Weather Water claims are segmented to a dedicated water team
  - Mix of staff and IA's currently
  - Team is dedicated for consistency
  - Revised training
    - Best Practices
    - Estimating Guidelines
    - Policy Training
    - Scenario based process guidelines
    - Strategy development between Non Litigation and Litigation

# Examples of Advertisements

**PROPERTY DAMAGE?**

**Contact Us "BEFORE" You File An Insurance Claim.**

The insurance company will send out their "own" adjuster and you'll need us to represent you to **MAXIMIZE YOUR CLAIM!**

HURRICANE FLOOD PLUMBING FIRE ROOF LEAK MOLD

- Commercial & Residential Claims
- Thousand of Satisfied Customers
- Millions \$ In Recovery Settlements
- Reopen Old Claims
- Experienced Adjusters
- Business Loss of Income
- Nationwide Representation

WINDSTORM INSURANCE NETWORK Public Adjusting Services

CALL FOR A FREE CONSULTATION

**BBB** ACCREDITED BUSINESS

This is solicitation for business. If you have had a claim for an insured property loss or damage and you are satisfied with the payment by your insurer, you may disregard this advertisement.

**YOUR INSURANCE COMPANY MAY OWE YOU MONEY!**

We maximize and expedite your Insurance claim, whether it's a reopen claim or new insurance claim.

**Reasons to Call**

- Hurricanes
- Tornadoes
- Flood
- Mold
- Roof Leaks
- Kitchen Leaks
- Vandalism
- Fires
- Broken Pipe
- Air Conditioning Leaks
- Water Damage
- Loss by Collapse
- Bathroom Leaks
- Policy Review

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# In Summary

- Enterprise-wide Water Summit across all functional areas
- Dedicated staff assigned by geography to handle all Non Weather Water losses
- Alignment of strategies across the Non Litigation and Litigation teams
- Development of scenario based strategies for focused fraud awareness
- Partnering with Agency and Communications on a campaign targeted at our policyholders to “Call Citizens First”
- Development of Contractor Repair Management Program with a focus on Emergency Services and Contracted Repair
- Leveraging expert Water Mitigation Experts to review mitigation invoices for accuracy of scope

# Questions