

## **Email from Citizens regarding the AOB Reforms (HB-7065)—January, 2020**

For 2018, we received 13,365 new 1<sup>st</sup> party lawsuits of which 3,922 were AOB's of which 7,980 were related to Hurricane Irma and Hurricane Michael. For 2019, through November YTD, we have received 9,180 1<sup>st</sup> party lawsuits of which 3,902 were AOB's of which 4,487 were related to Hurricane Irma and Hurricane Michael.

Just looking strictly at the data above, it appears that AOB suits are on the increase. What we have seen is that we are still receiving AOB lawsuits that predate the 7-1-19 HB 7065 legislation. These numbers are also exaggerated by the continuation of new claims and new lawsuits from Hurricane Irma.

Citizens began tracking specific data on AOB claims received under HB 7065 which paints a different picture. Our data reflects that we are receiving fewer AOB claims than we were prior to the legislation. It is important to note that this data is based on AOB claims received, not on AOB litigation.

Our AOB data reflects the following new receipts for AOB claims post 7-1-19:

- July 707
- August 468
- September 374
- October 427
- November 359
- December 400

We have received 107 Notices of Intent to file suit since the 7-1-19 implementation of HB 7065. The majority of these Notices involve claims where Citizens denied coverage or the demand exceeds the Citizens policy sublimit of \$3,000 for Vendor services. In these instances, we are standing on our original decisions.

With respects to your comments about Dr. Rosen, we are seeing examples of a few mitigation vendors attempting to claim that all the work performed under emergency services only included the mopping up of the water and then they are trying to claim for non-emergency services the remainder in an effort to exceed the \$3,000 threshold stipulated in HB 7065. However, Citizens policy language includes a sub limit of \$10,000 for all non-weather water claims with a cap of \$3,000 for any vendor services, unless the insured elects to participate in our Managed Repair Program, which would return the limit of insurance to full Coverage A limit. When we encounter these vendors leveraging these tactics, we fall back to our sub limit and vendor cap of \$3,000 and don't have to engage in the discussion around what defines emergency services as they are still operating as a vendor under our product language and the services that they are providing are not permanent repairs.

I hope this helps to clarify our conversation. If you have any additional questions, please don't hesitate to reach out.

Thank you.

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