Automated Loss History Data and Acceptable Proof of Repair Guide

For Personal Lines Agents

CITIZENS
PROPERTY INSURANCE CORPORATION

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Citizens Loss Frequency Rule

Risks with Prior Losses

Frequency of prior losses may deem a risk uninsurable for certain multiperil policy types.

Applicants who have sustained	Within	
Three or more losses (excluding Act of God)	36 months	Are not eligible for the HO-3 policy form but may be written on named-peril policy forms such as the DP-1.
Two or more nonweather water-related losses		
Three or more nonweather water-related losses	60 months	

Acts of God include hail, lightning, rain, sinkhole, and wind and are not considered when assessing insurability due to prior losses. The loss frequency rule is not applicable to the Wind-Only policy forms, though prior losses should still be listed.

Refer to Citizens' Personal Lines Underwriting manuals, Rule 206, for more information.

Reviewing and Editing Automated Loss History Data

Prior Loss Reporting Requirements

When submitting a risk with prior losses, PolicyCenter® will, after the applicant provides permission, display a list of potential prior losses from the Lexis Nexis Property Loss report. Agents should compare this information with prior loss disclosures from the applicant. The information can then be used to identify any potential general property condition issues, existing damage or multiple prior losses to determine insurability of the submission prior to binding.

All insured's losses in the last five years – inclusive of Citizens losses, whether or not paid by insurance, and regardless of perils covered on the policy application at this or any other location – must be added to the *Prior Losses* tab in PolicyCenter.

Best Practice: Losses entered during the Clearinghouse Powered by EZLynx® quoting process will not carry over to PolicyCenter when the quote is submitted. To prevent duplicate entries and unnecessary steps, agents should run the LexisNexis Loss History Report before adding losses on the Prior Losses tab in PolicyCenter.

In some instances, the report could return inaccuracies that will need to be corrected.

Before You Begin

Loss history data will be generated for first and additional named insured based on their legal name, mailing address, and property addresses for losses incurred within the five years preceding the submission date.

To avoid inaccurate returns, best practices include:

- Confirming legal name(s) for all insureds
- Entering entity names, as they are legally listed
- Avoiding entering prefixes such as *Mr., Mrs., Dr.,* etc.
- Standardizing both the property and mailing address
    - *Note:* Foreign addresses will not standardize. Refer to FAQ ID 2355 for more information.
- If applicable, add the unit or apartment number on *Address Line 2*

Note: Refer to the New Business Submission Guide for detailed information on the submission process.

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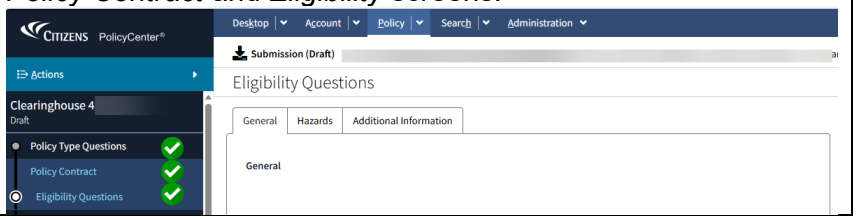
Reviewing and Editing Prior Losses, Continued

Accessing Automated Loss History Data

Prior loss data will be generated after the applicant has provided permission and when the property address for a new-business submission is validated in PolicyCenter.

The following steps must be completed prior to receiving a premium estimate:

Step	Action
1	Initiate the submission either by bridging from the Clearinghouse or, if applicable, directly in PolicyCenter as indicated in the *New Business Submission Guide*. Complete and/or confirm data on the *Policy Type Questions, Policy Contract* and *Eligibility* screens. 

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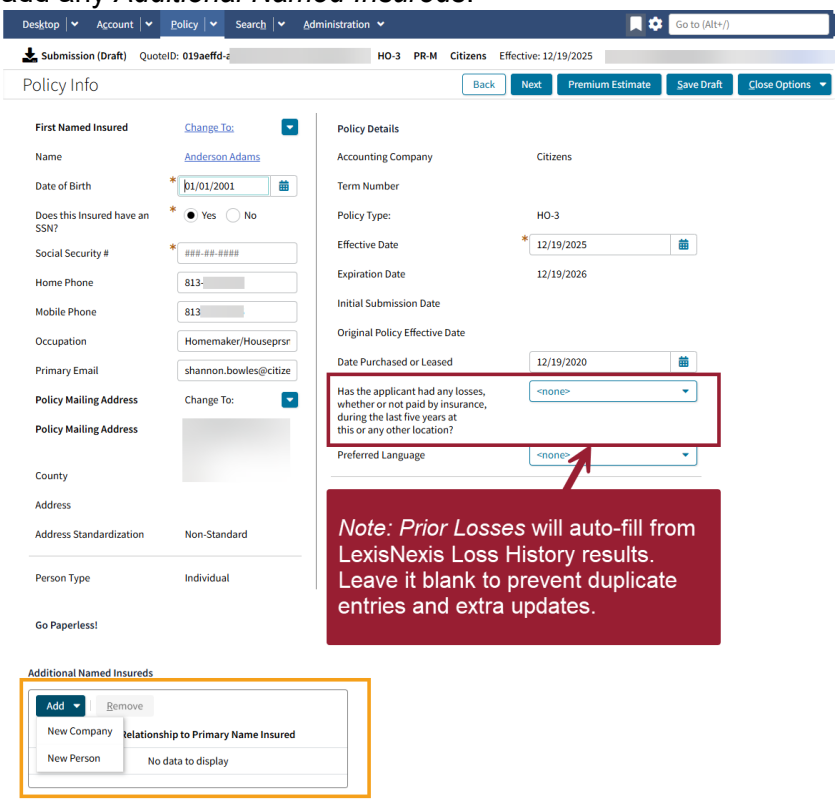
Reviewing and Editing Automated Loss History Data, Continued

Accessing Automated Loss History Data, Continued

Step	Action
2	Review and confirm the *First Named Insured's* information, then add any *Additional Named Insureds*.  *Notes:* To avoid generating duplicate or incorrect loss history data: • Enter the correct legal name, date of birth, and address. • When adding an LLC, select **New Company** to ensure the format is correct. • The *Prior Losses* question will auto-fill from LexisNexis Loss History results on the *Risk Analysis* screen. Leave it blank to prevent duplicate entries and extra updates.

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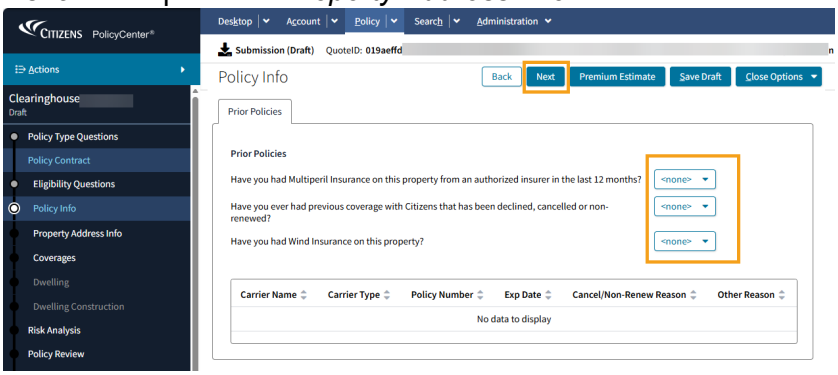
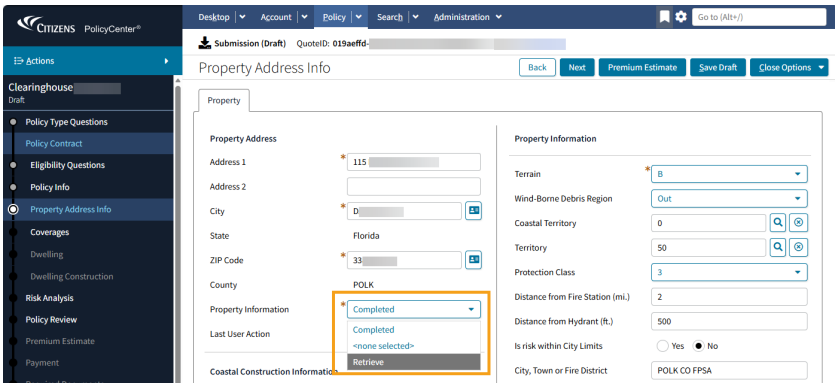
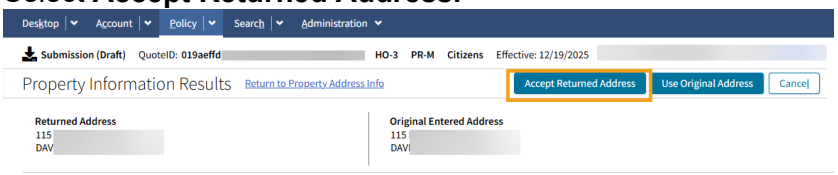
Reviewing and Editing Automated Loss History Data, Continued

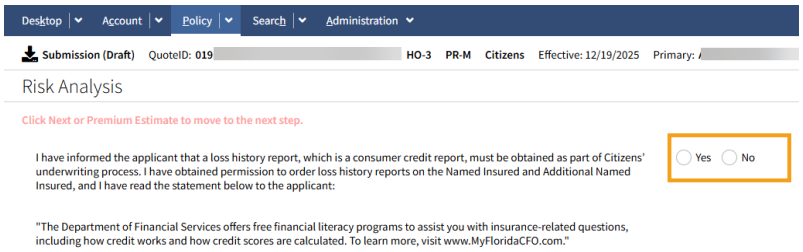
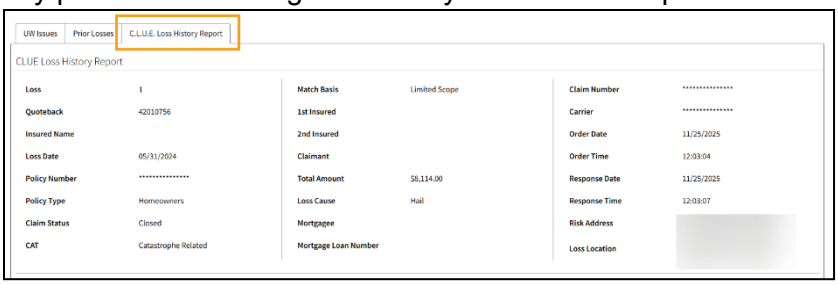
Accessing Automated Loss History Data, continued

Step	Action
3	Complete **Prior Policies** on the *Policy Info* screen, then select **Next** to complete the *Property Address Info*. 
4	If not already prefilled, use the *Property Address Info* screen to enter the property address. Select **Retrieve** property information. 
5	Select **Accept Returned Address.**  **Result:** The *Property Address Info* screen displays. *Note: Use Original Address* should only be selected in rare circumstances. If you use the original address, contact Underwriting to discuss prior to submission.

Continued on next page

Reviewing and Editing Automated Loss History Data, Continued

Accessing Automated Loss History Data, Continued

Step	Action
6	Continue completing the application. On the *Risk Analysis* screen, permission from the applicant must be obtained to proceed with the submission. Read the statement displayed on the screen, then indicate if you have obtained permission to order loss history reports on the named and additional named insured.  **Result:** The C.L.U.E Loss History Report will automatically generate, and the *C.L.U.E. Loss History Report* tab will be available once the consent question has been answered.
7	Select the **C.L.U.E. Loss History Report** tab to determine if any prior losses were generated by the automated process.  The data on this read-only report is for completing and verifying the accuracy of the *Prior Losses* section of the application.

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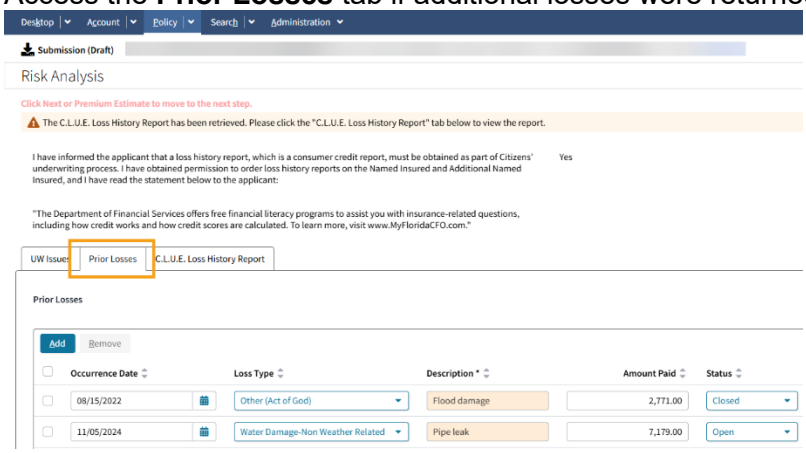
Reviewing and Editing Automated Loss History Data, Continued

Accessing Automated Loss History Data, Continued

Step	Action
8	Access the **Prior Losses** tab if additional losses were returned.



Data retrieved from the automated loss history report will indicate *Yes* in the *LHR Retrieved* column.

If ...	Then ...
No prior loss data was returned, or if the applicant does not have prior losses to report	Complete the submission using the steps outlined in the *New Business Submission Guide*.
Prior loss data was returned	Review the data carefully to determine if the results are applicable to your customer, then continue to Step 9.
Prior loss data was returned in error, is incorrect, or was duplicated	Refer to the *Editing Loss History* or *Deleting Loss History* sections of this document for further instructions.

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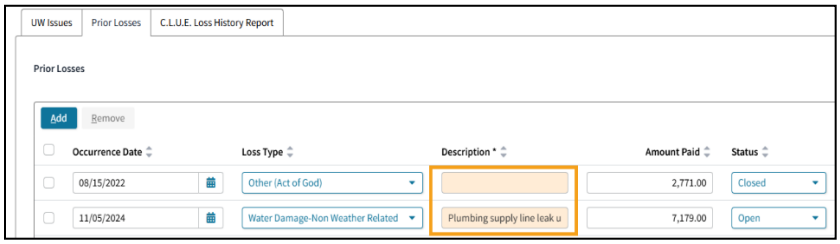
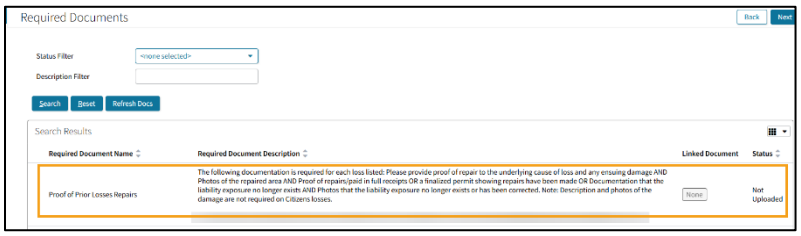
Reviewing and Editing Automated Loss History Data, Continued

Accessing Automated Loss History Data, continued

Step	Action
9	A full description of each loss will be required. To enter a loss description, click in the *Description* field, then enter the information.  Descriptions should be detailed enough to indicate the underlying cause of the loss and location within the dwelling, for example: *Plumbing supply line leak under the kitchen sink, resulting in damage to lower kitchen cabinets.* *Note:* The *Prior Losses Description* field can contain up to 250 characters. If additional space is required, the full description of the loss should be uploaded with corresponding acceptable proof of repair.
10	Complete the application as outlined in the *New Business Submission Guide*, and then continue to the *Required Documents* screen. Proof of repair documentation may be required. If so, it must be uploaded with other required documents for approval and/or issuance.  Refer to the *Submitting Acceptable Proof of Repair and/or Remediation* or *Appendix II: Identifying Losses That Require Proof of Repair* sections of this document for additional guidance. *Note:* The *Premium Estimate* screen will not be accessible until prior loss data is retrieved.

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Reviewing and Editing Automated Loss History Data, Continued

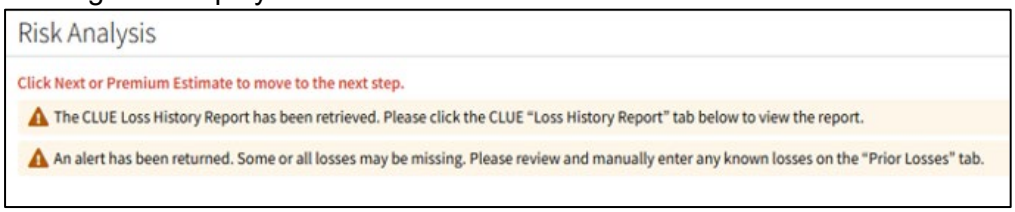
Alerts and Errors

Alerts

LexisNexis may return various alerts and errors during a loss history check, such as:

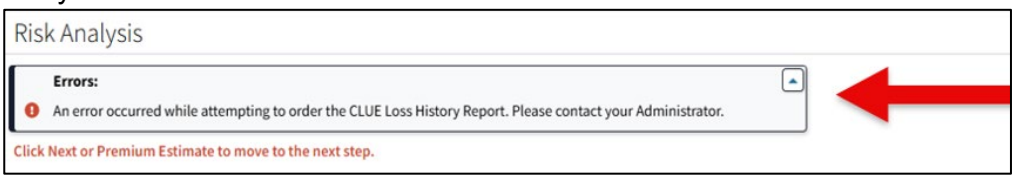
- Security Fraud
- Identity Theft
- Legal Hold
- Security Freeze

If the system returns a *C.L.U.E. Loss History Report* containing an alert for Fraud, Security Freeze, Legal Hold, or Identity Theft, a second system message will display to inform the user of the condition:



Connection Errors

If the Loss History Report (LHR) service fails due to a connection error, the system will be unable to retrieve the report. A system message will display to notify of the failure:



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Reviewing and Editing Automated Loss History Data, Continued

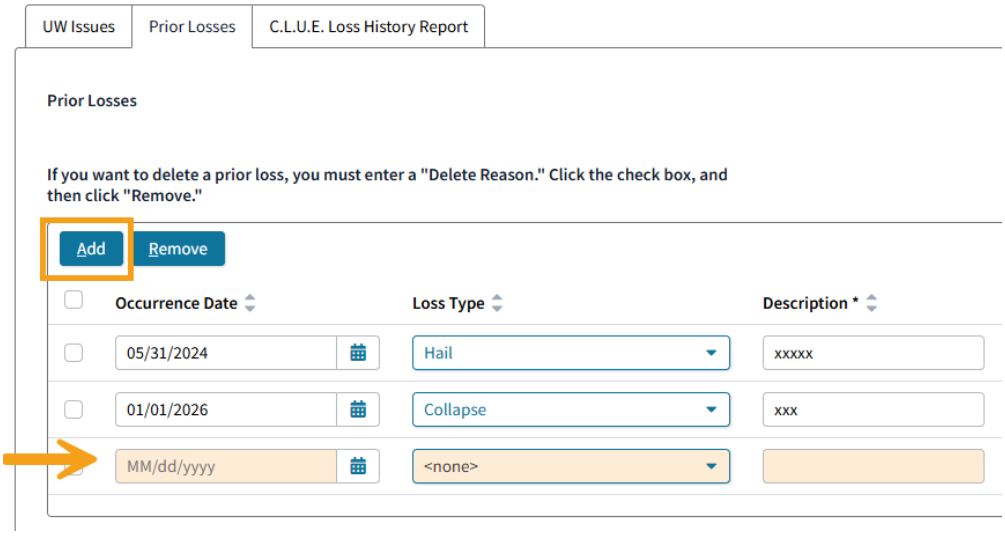
Alerts and Errors, Continued

Resolving Errors and Alerts

When alerts and/or errors occur**:**

- Loss history will not populate automatically.
- Agents must manually enter known losses from the applicant.

To manually enter a loss, navigate to the *Risk Analysis* screen, select **Prior Losses**, then select **Add.**



Complete all required fields, then continue with the application.

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Reviewing and Editing Automated Loss History Data, Continued

Editing Automated Loss History Data and Providing Detailed Loss Descriptions

All insured's losses in the last five years, inclusive of Citizens losses, *whether or not paid by insurance,* regardless of perils covered on the policy application, at this or any other location must be added to the *Prior Loss* tab in PolicyCenter.

- Prior losses should be reviewed for accuracy, edited and/or deleted. If losses appear on the report that were not disclosed or are being disputed by the applicant, agents should contact the applicant prior to editing or deleting the data.

- If the applicant is disputing the loss, they must address the dispute with Lexis Nexis before proceeding with the application. The agent will not be able to delete the loss until the dispute is resolved or they must disclose the loss and advise that the applicant is disputing the loss with Lexis Nexis.

- Underwriting will review edits and may request additional information.

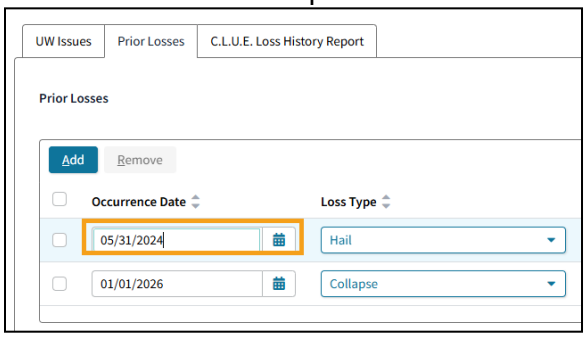
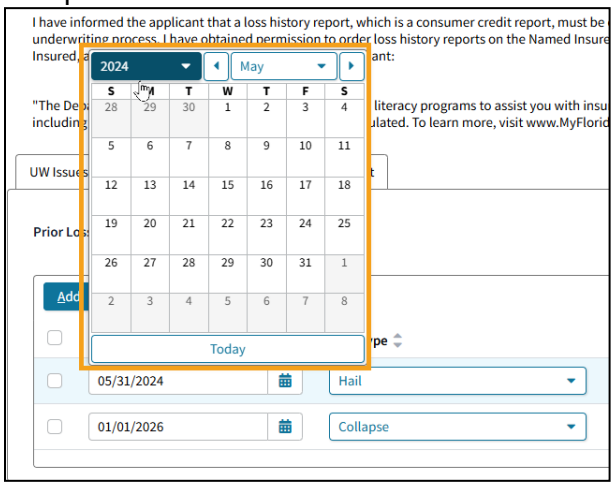
Note: PolicyCenter does not provide the functionality to print a loss history report, but applicants can contact Lexis Nexis to request the report. For more information, see the *Requesting a Copy of the Report and/or Disputing the Information* section of this document.

Continued on next page

Reviewing and Editing Automated Loss History Data, Continued

Editing Automated Loss History Data and Providing Detailed Loss Descriptions, continued

All fields on the *Prior Losses* tab can be amended. To edit automated loss history data:

Step	Action
1	Click in the field that requires edits.  **Result:** The field becomes editable.
2	Complete edits as needed.  *Note:* Underwriting may review edits and request additional information after submission.
3	Complete the application as outlined in the *New Business Submission Guide*.

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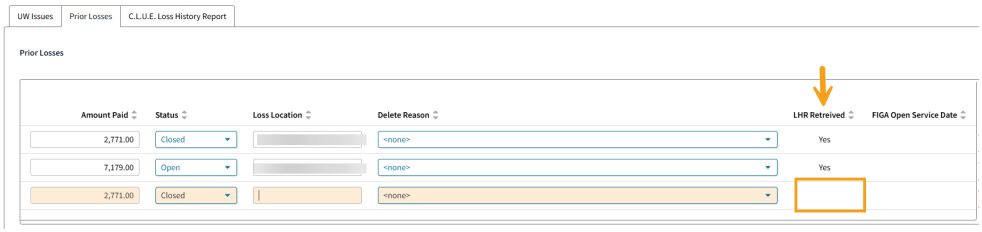
Reviewing and Editing Automated Loss History Data, Continued

Deleting Duplicate or Inapplicable Prior Loss Data

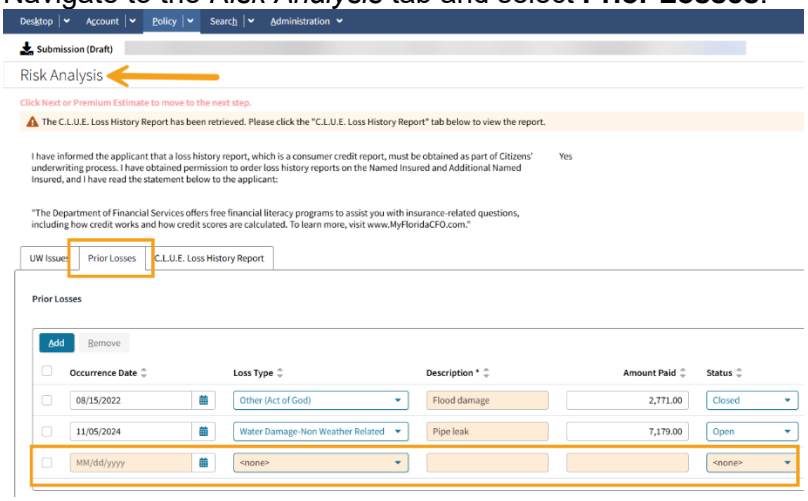
If prior loss data is duplicated, entered prior to the loss history report being pulled, or not applicable to the applicant, it must be deleted.

Carefully review the *Prior Losses* tab to determine if a loss should be deleted. Agents will be unable to delete a loss until a reason is provided.

Note: When deleting duplicated losses, select the loss that was not *LHR Retrieved.*



To delete loss data:

Step	Action
1	Navigate to the *Risk Analysis* tab and select **Prior Losses**.  *Note:* The 'Remove' button will only become active after a Delete Reason is indicated. A reason for deleting any loss listed on the *Prior Losses* tab is mandatory.

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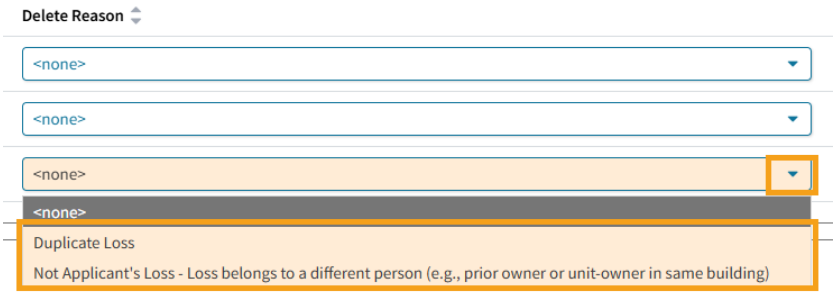
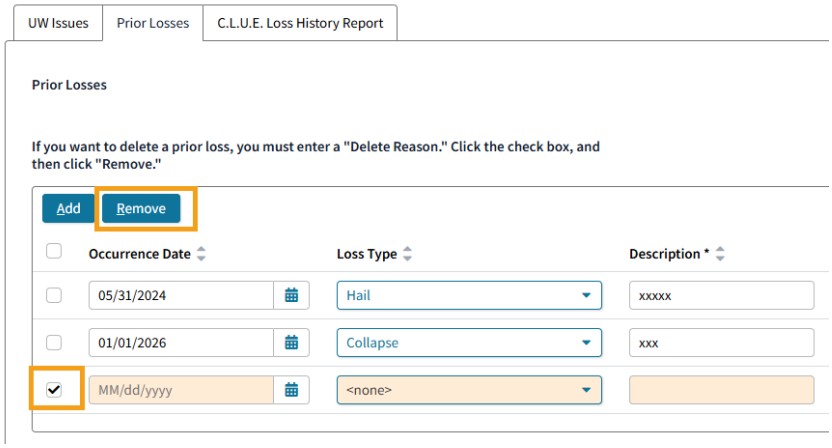
Reviewing and Editing Automated Loss History Data, Continued

Deleting Duplicate or Inapplicable Prior Loss Data, Continued

Step	Action
2	Select the **Delete Reason** dropdown to indicate the reason.  *Note*: If a loss is entered in error, select **Duplicate Loss** as the delete reason.
3	Place a check next to the loss that should be deleted, then select **Remove.** 
5	Complete the application as outlined in the *New Business Submission Guide*.

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Reviewing and Editing Automated Loss History Data, Continued

Ineligible Risk Due to Prior Loss Data

Some risks are not eligible for the HO-3 policy form, though may be written on named-peril policy forms such as the DP-1. If a submission is found to be ineligible due to loss frequency, an error will display in PolicyCenter.

Note: Refer to Rule 206 in the Underwriting Manual for more information.

Performance Violations

Agents must use sound discretion when editing or removing losses that appear in automated loss history data. Submitting a risk on an incorrect policy form due to either of the following:

- Undisclosed losses
- Losses that were incorrectly edited or removed

will be classified as an ineligible risk and will result in a performance violation (PV01 – Ineligible Risk).

For more information, refer to the Agent Performance Standards Program Guide for Personal Lines.

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Submitting Acceptable Proof of Repair

Overview

On new-business submissions, a full description of prior losses within the past five years and proof of prior loss repair will be required if the date of a prior loss at the property address is within 60 months of the effective date and one or more of the following scenarios apply:

- The claim is still open
- The amount of the loss is greater than $20,000
- A sinkhole or liability loss occurred
- The date of loss is within the past year
- Two or more of the same type of loss appear on the loss history

Underwriting may request proof of repair outside of the scenarios listed above. Remember that all losses within the last five years, at this or any location, must be added for loss frequency consideration. Refer to *Appendix II: Identifying Losses That Require Proof of Repair* for more information.

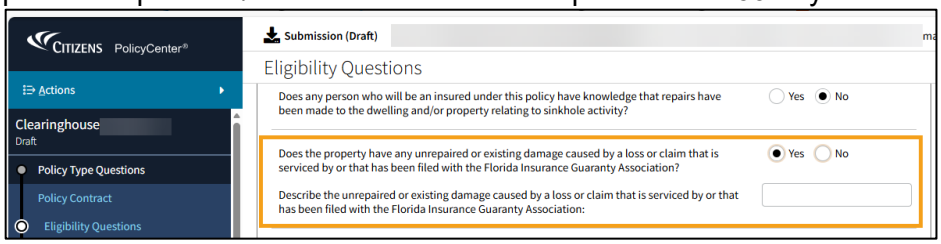
Existing Open Claims

A risk with an existing open claim still may be eligible for coverage.

- Risks with existing, unrepaired structure damage must be submitted unbound for review.
  - Refer to Rule 208, *Uninsurable Properties*, of Citizens' Underwriting manual for more information.
- Risks with open liability, theft or any other open claim must include a detailed explanation of the loss and any steps taken to remediate future potential losses.

Existing Damage Due to Open Claim on New-Business Submissions
Prior open losses could be an indication of existing damage and should be thoroughly reviewed to confirm eligibility.

Existing, unrepaired structure damage must be indicated and submitted on an unbound application. Underwriting then will review the extent of damage to determine if the submission is insurable. If the submission is approved, proof of repair and/or remediation will be required within 60 days.



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Submitting Acceptable Proof of Repair, Continued

Proof of Repair Requirements

Acceptable proof of repair and/or remediation will vary based on cause of loss and the extent of the damage and may be required prior to underwriting review and issuance.

Acceptable proof of repair generally includes:

- Proof that the underlaying cause of loss and any ensuing damage has been remediated, including the system or portion of the system that failed.
- At a minimum, documentation that the system has been fully replaced by a licensed professional and that in the course of performing the work, permits and inspections required by the local building authority were obtained.

Any alternative documentation must be reviewed on a case-by-case basis by Underwriting. An intent to repair or estimate will not be accepted.

Acceptable proof of repair and/or remediation is listed below. Additional required documents will vary based on the type of damage.

If the Structure Damaged is the:	Then Acceptable Document(s) Include:	The Document Must:
Roof	Receipts for repair/ replacement	• Be completed by a general, residential, building or roofing contractor, building code inspector licensed roofer or Florida-licensed home inspector. • Indicate *Paid in full* • Indicate specific area(s) of repair • Include clear color photos of repaired area(s)
	Roof Inspection Form	Be completed by a general, residential, building or roofing contractor, building code inspector or Florida-licensed home inspector
	Finalized roofing permit	• Specify full roof replacement • Include clear color photos of replaced roof
Building	Receipts	• Indicate *Paid in Full* • Be completed by licensed general, residential, or building contractor • Indicate specific area(s) of repair • Include clear color photos of repaired area(s)

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Submitting Acceptable Proof of Repair, Continued

Proof of Repair Requirements, continued

In some instances, non-Act of God losses may not result in roof or structural damage and/or may be related to a more extensive underlying cause.

Type of Loss	Additional acceptable proof of repair includes, but is not limited to:
Collapse	Receipts and photos demonstrating remediation of the underlying cause, such as removal and replacement of defective materials, decay, weight of contents, etc.
Explosion	Receipts and photos demonstrating removal of fuel, chemical or pressure-related hazards.
Fire	Proof of repair, remediation or replacement of malfunctioning electrical, wiring or controlled flame heating systems.
Liability: Bodily Injury	Documentation that the liability exposure no longer exists AND Photos that the liability exposure no longer exists or has been corrected
Liability: Property Damage	Documentation that the liability exposure no longer exists AND Photos that the liability exposure no longer exists or has been corrected
Loss Assessment	Paid in full receipt from the corporation or association issuing the assessment, which includes indication of the loss cause.
Medical Payment	Documentation that the liability exposure no longer exists AND Photos that the liability exposure no longer exists or has been corrected
Sinkhole	See Acceptable Proof of Repair: Sinkhole Losses
Theft	A signed statement of steps taken to prevent further losses.
Vandalism	A signed statement of steps taken to prevent further losses.
Water Damage: Non-Weather Related	See Acceptable Proof of Repair: Non-Weather Water Losses

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Submitting Acceptable Proof of Repair, Continued

Acceptable Proof of Repair: Nonweather Water Losses

Automated loss history data may not distinguish between nonweather and weather-related water losses. Agents must verify if the underlying cause of loss is nonweather-related or weather-related water damage. A "water loss not caused by weather" is defined as any of the following:

- The accidental discharge or overflow of water or steam from a plumbing, heating, air conditioning, automatic fire-protective sprinkler system or household appliance.
- The constant or repeated seepage or leakage of water or steam.
- The presence or condensation of humidity, moisture or vapor.

Properties with prior nonweather water-related losses may be eligible only for a DP-1 policy form and will require proof of repair. An exception may be considered if there has been a full replacement of a failed mechanical system by a professional licensed in the field. Contact Underwriting to discuss prior to selecting a policy form.

Acceptable proof of repair for nonweather water-related losses include photos of the repaired area and at least one of the following:

- A 4-Point Inspection, showing no deficiencies, dated after the date of loss and indicating the issue was remediated
- Paid-in-full receipts
- Finalized permit showing repairs have been made

Note: Repair and/or replacement work on the roof, electrical, heating, or plumbing systems must be completed by a verifiable licensed contractor.

Proof of Repair for Losses Remediated by Citizens' Managed Repair Program

Risks returning to Citizens that were repaired through Citizens' Managed Repair Program will not require proof of repair. The agent should, however, upload a statement indicating the damage was repaired as part of the Managed Repair Program.

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Submitting Acceptable Proof of Repair, Continued

Acceptable Proof of Repair: Sinkhole Losses

If the property to be insured has ever sustained a loss due to sinkhole activity or has had a sinkhole investigation performed by a professional engineer, documentation of repairs must be submitted with the application, whether sinkhole loss coverage is requested or not. Prior sinkhole losses should be included in reported prior losses, regardless of the perils covered on the application.

For additional information and documentation requirements, refer to Rule 204 in Citizens' underwriting manuals or one of the following FAQ's:

- Answer ID 3063: *What documentation is required if Sinkhole Loss coverage is requested?*
- Answer ID 1994: *Does Citizens require proof of repairs when the property has had sinkhole damage?*

Late Submission Violations

Underwriting will not review, approve and/or issue a policy until all required documents have been uploaded and the payment, if the policy is bound, has been posted. This includes proof of repair documentation, if required, on new-business submissions.

A late submission alert occurs when the application and all required documents are not submitted and the *SUBMIT* button is not selected by the effective date of coverage. A late submission violation will occur when the application and all required documents are not submitted and the *SUBMIT* button is not selected within 5 days of the policy's effective date of coverage

For more information, refer to the Agent Performance Standards Program Guide for Personal Lines.

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Fair Credit Reporting Act

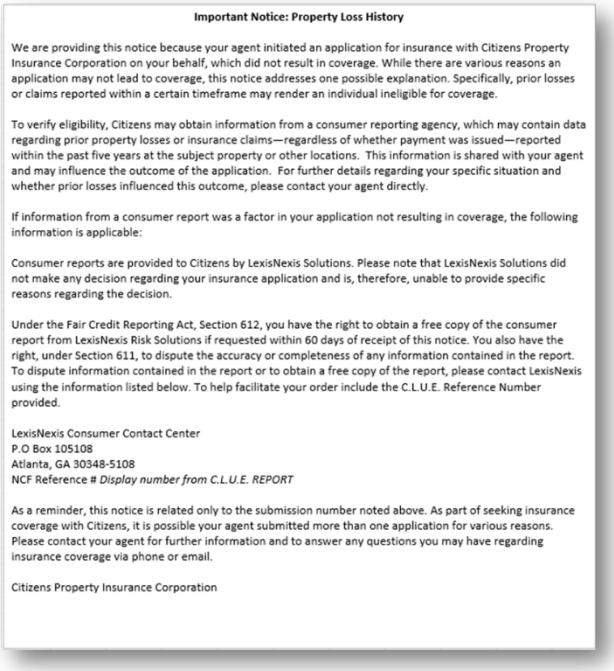
Overview

The federal Fair Credit Reporting Act (FCRA) promotes the accuracy, fairness and privacy of information in the files of consumer reporting agencies. Customers have the right to be informed if the information in their file has been used against them.

FCRA Notices on Incomplete Applications

When an unbound submission contains a claim reported on the Loss History Report and the submission is not or cannot be completed, Citizens will, in acknowledgement of the possibility that the application has been abandoned or withdrawn due to loss frequency, send a *Property Loss History Notice* to the customer.

Agents can access this he *Property Loss History Notice* from the customer's account, and a note will be placed on the policy.



Important Notice: Property Loss History

We are providing this notice because your agent initiated an application for insurance with Citizens Property Insurance Corporation on your behalf, which did not result in coverage. While there are various reasons an application may not lead to coverage, this notice addresses one possible explanation. Specifically, prior losses or claims reported within a certain timeframe may render an individual ineligible for coverage.

To verify eligibility, Citizens may obtain information from a consumer reporting agency, which may contain data regarding prior property losses or insurance claims—regardless of whether payment was issued—reported within the past five years at the subject property or other locations. This information is shared with your agent and may influence the outcome of the application. For further details regarding your specific situation and whether prior losses influenced this outcome, please contact your agent directly.

If information from a consumer report was a factor in your application not resulting in coverage, the following information is applicable:

Consumer reports are provided to Citizens by LexisNexis Solutions. Please note that LexisNexis Solutions did not make any decision regarding your insurance application and is, therefore, unable to provide specific reasons regarding the decision.

Under the Fair Credit Reporting Act, Section 612, you have the right to obtain a free copy of the consumer report from LexisNexis Risk Solutions if requested within 60 days of receipt of this notice. You also have the right, under Section 611, to dispute the accuracy or completeness of any information contained in the report. To dispute information contained in the report or to obtain a free copy of the report, please contact LexisNexis using the information listed below. To help facilitate your order include the C.L.U.E. Reference Number provided.

LexisNexis Consumer Contact Center
P.O Box 105108
Atlanta, GA 30348-5108
NCF Reference # *Display number from C.L.U.E. REPORT*

As a reminder, this notice is related only to the submission number noted above. As part of seeking insurance coverage with Citizens, it is possible your agent submitted more than one application for various reasons. Please contact your agent for further information and to answer any questions you may have regarding insurance coverage via phone or email.

Citizens Property Insurance Corporation

The notice will be sent:

- 25 days after the creation date on abandoned applications
- Immediately after an application is withdrawn

Continued on next page

Fair Credit Reporting Act, Continued

Requesting a Copy of the Report and/or Disputing the Information

Under the Fair Credit Reporting Act, Section 612, customers have the right to obtain a free copy of the consumer report from Verisk Insurance Solutions if requested within 60 days of receipt of the he *Property Loss History Notice*.

Should a consumer question the accuracy of the information in the prior loss automated data, they can dispute the information by contacting the vendor, Verisk Insurance Solutions, following the instructions provided in the FCRA abandonment letter. The vendor will undertake an investigation with the organization submitting the claim(s).

To dispute information contained in the report or to obtain a free copy of the report, contact LexisNexis using the information below:

LexisNexis Consumer Contact Center
P.O. Box 105108
Atlanta, GA 30349-5108
NCF Reference #

End