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Subject: Draft - work in progress - topics - agency call, 2021 Quality Plan - wind hail

Good morning all,

A few updates to share since we last visited. After meeting with Executive, we have reformatted the presentation somewhat; however, the topics remain much the same. Also, the times for meeting with Agency Leadership have been determined as follows:

- March 1 1-2pm
- March 3 8-9am
- March 3 3-4pm
- March 4 2-3pm
- March 5 9-10am
- March 10 11am-noon
- March 10 2-3pm

The outline of our presentation is as follows:

Draft – Work in Progress -

Presentation to VPAs and SLs

6 to 9 presentations, leaders have options to attend 1 of multiple sessions

Presentation will be laid out as follows:

1. Set up – Conversations from last year
2. Topics to be discussed
 - a. ECR Vendor Performance Discussion
 - b. Inspection Options
 - c. **Wind and Hail Claim Handling**
3. Closing – wrap up

EXHIBIT
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Conversations we had with you last year (David)

- What we heard
- Empathy
- Professionalism
- Responsiveness
- Technical
- Settlements/replacement costs
- What we are doing

ECR Vendor Performance (John - Taylor)

Vendor strategy/performance

- Recurring meeting with firms/firm leadership
- Accountability/Expectations
- Customer experience
- Service level objectives
- Cadence of appointments
- Responsiveness
- Accuracy/Quality
- Training
- Productivity

Inspection Options

Virtual inspections

- While Covid challenged us, it also brought about new opportunities and efficiencies – namely our push towards adopting virtual inspections
- When we receive a loss our goal is to always attempt to resolve the claim virtually first
- Phone scope
- CX
- Face Time
- Google Duo
- We also use these options for reinspections and/or with vendors too
- If we can't use a virtual option for a part or all of the claim we then conduct a physical inspection; always adhering to social distancing

Other inspection options

- Roof/Exterior Inspection Assist Program

How the program works:

- Once an assignment is sent, the vendor will provide an inspection technician
- The inspection technician will inspect, diagram, photograph, and scope damages to the roof and exterior elevations of a building.
- The claim specialist will use the scope to prepare an estimate and conclude the claim with the insured.
- Both vendors are available 7 days per week
- Both vendors have inspection technicians to cover all zip codes currently in Georgia, Illinois, Maryland, and New Mexico
- Once the assignment is made, the vendor will make voice to voice contact with the customer
- They will attempt phone contact within 24 hours or receiving the completed inspection on line assist form.
- The service level for the typical REIAP assignment for submission of the form to receiving the report is 3 -5 days. This could be impacted by weather or the customer's schedule.
- Customers do not have to be present for the inspection
- Both vendors will complete inspections with contractors
- If the customer needs to reschedule an appointment, they can contact Hancock or Seek Now directly
- The report written will be submitted to State Farm within 24 hours of inspection

Vendors

- Hancock Claims Consultants
- Seek Now

REIAP is a tool to help assist our claim handlers in the adjustment of roof and exterior structural damage when a scope is needed

- The program may be used when our customer declines the offer for an eligible voluntary CSP or RSP assignment or when CSP or RSP is not available in the customers area
- It may also be used when CSP or RSP is not available in the customer's area

REIAP Eligible claims If time allows

- Claims with or without a Claim Group
- Homeowners, Manufactured Home, and Rental Dwelling policies
- Initial inspections on new claims
- Severity 2 or 3 losses only
- Claims assigned to Fire Proximity

REIAP is not eligible for:

- Unresolved questions regarding coverage or causation
- Additional inspections
- Interior damage
- Severity 1 uninhabitable claims
- Flood claims

- BUSD claims
- Claims involving boat docks
- ECR's are not permitted to use this program

SFPSP - Roofing Services Program (RSP) and (CSP)

- **The Why?**

- Both programs are voluntary customer choice program using independent Network Service Providers (CNSP) who have entered into a contract with State Farm® concerning the services to be provided. Benefits are:
 - Both are consistent with **Our Commitment to Our Policyholders.**
 - Contractor Network Service Providers (CNSPs) who can assist with identifying and selecting general contractors who can provide an estimate and complete building repairs
 - Roofing Network Service Providers (RNSPs) who can assist with identifying and selecting roofing contractors who can provide an estimate and complete roofing repairs
 - Workmanship guaranteed for 5 years by your chosen provider
 - The program inevitably helps enhance efficiency in Fire Claims handling.

- **Eligible For CSP**

- Determined by claim handlers;
- Covered cause of loss
- Structural in nature
- Contractor/service provider available
- Hail claims not eligible unless noted by Consulting Services

- **Eligible for RSP**

- Determined by claim handlers:
- Covered cause of loss
- Structural in nature specifically to the roofing material
- There must be a roofing contractor/service provider available
- Roofing only wind damage claims where there must be evidence of actual wind damage to the roofing.
- Claims involving roof only damage by a covered peril other than hail (also includes repair or replacement of the following structural items: gutters, soffit, fascia, siding and window screens)

- **How can Agency Leadership Assist**

- Encourage agency partners to direct customers to <https://www.statefarm.com/> which has resources available these network service providers
- <https://www.statefarm.com/claims/claims-help/home-and-property/premier-service>

Wind and Hail Claim Handling

Roof claims present unique challenge

- Customers rarely get on their roofs
- Rely on information received from others, including us

Our inspection process/methodology (theme - building confidence in our work)

- Our call of damage/no damage
- Tools we use – i.e. AccuWeather
- Training of our workforce
- Annual refresher course(s)
- ECHP for each event
- Orientations for each event
- Resources – composition roof brochure – updating/contemporizing, should be ready in March 2021
- Inspection Process -Our call of damage/no damage--- Inspection Methodology is guided by our Guidelines and training. Focus on what is and is not damage and document.
 - a. Ground collateral damage- from the ground up to the roof.
 - b. Roof inspection- look for areas where we know roof is more susceptible to damage: Valley and ridge cap and soft damage, then test square.
 - c. Vent spatter-guide us on if the hail was hard or soft
 - Staff and ECR's will make photos externally viewable after inspections to agents and policyholders.
 - Damage ID – show photos of conditions often found on roofing
 - Thermal expansion
 - Blistering
 - Curling
 - Cracking
 - Zippering
 - Slipping
 - Installation marks
 - Footfall
 - Excessive granule loss
 - Tools we use – i.e. AccuWeather- wind and hail. Reports
 - d. Composition roof brochure --- Evaluating-Composition-Roofing-Brochure-English.pdf (st8fm.com) – contemporizing and update will be published in near future
 - e. Wood roof brochure --wood-roof-brochure.pdf (st8fm.com)
 - f. Composition Roof and Wood Roof Brochures are State Farm.com
 - g. On ABS system. Put link to meeting invite move into wind/hail season.
- Link to ABS, Services: Weather & Catastrophe ABS Services: Weather & Catastrophe (statefarm.org) On the left side--- Choosing Roofing Contractor Tool.

Additional inspections

- When should these be completed?

Roofer inspections prior to a claim being submitted to State Farm

- Impact of agents requesting a roofer inspect prior to submitting claim
- **Impact of roofer inspection**
- Positive
- May help our customer confirm if there is damage
- Negative
- Roofers skills and knowledge are often are related to the installation of a roof and not to the causation of damages to roofing materials
- If the inspection by a claim handler does not find any covered damage; however, the roofer stated there was damage, the customer may be become frustrated
- **How Can Agency Leadership Assist**
- Continue to support claims
- Encourage agency partners to not send request the customer have a roofer inspect before turning in the claim. Please submit the claim and allow Claims to inspect the property and determine if there is damage from a covered loss.

RCB timelines

- Discuss new infographic that has been developed, when it will be sent
- Timelines for RCBs (depends on jurisdiction)
- How to get RCBs
- Communication

Roof Surfaces Payment Schedule Endorsement

Roof Surfaces Payment Schedule Endorsement

Why: Making you aware of this important endorsement that impacts the way we handle wind/hail claims if they have the endorsement.

How can agency leadership help? Please just be aware of this endorsement and reach out to local claims leadership if you have any questions.

- We wanted you to be aware of an important endorsement that can be added to Homeowners Policies in certain states. The Roof Surfaces Payment Schedule Endorsement (RSPS) became available starting in July 15, 2020. Based on the age and roof type, the RSPS provides a specified loss settlement when roof surfaces are damaged by windstorm and/or hail. The premium is lower but the older the roof, the less the customer will recoup if a claim is filed for

wind/hail. Thanks for letting us share this new endorsement to you. If you have any questions, please contact local claims leadership. We will share the job aid Roof Surfaces Payment Schedule Endorsement (RSPS) job aid with you in the follow up correspondence we send to this group.

Email – claim specific emails and risk (Tom)

- Statement of Policy
- Email captured
- Search of emails in litigation matters
- Risk of message content to be taken out of context

Closing – wrap up

Next steps:

I will schedule a call later this week with the team to discuss

Lisa and I will work together to create a PowerPoint deck

- Slide – limited information (visual cues – not a lot of content in the slide)
- Speakers notes would include bullets from this document

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