

ADDENDUM: SIU CASES OF INTEREST

CLAIMS COMMITTEE MEETING MARCH 9, 2016
BOARD OF GOVERNORS MEETING MARCH 16, 2016

WATER – NON WEATHER RELATED

Miami-Dade: The insured alleged that a water supply line ruptured, causing water damage to the kitchen cabinets and baseboards, which was reported to Citizens over 10 days after the loss occurred. The SIU investigation established evidence that the insured had been paid for the damage on two previously submitted claims and was attempting to claim the old unrepaired damage as new. The claim, reserved at \$2,500, was closed after the insured withdrew the claim. A Division of Insurance Fraud (DIF) referral was submitted and as the result of their investigation, the insured was arrested and charged with insurance fraud.

Broward: The insured claimed that a broken supply line in the hall bath ruptured, resulting in damage to the vanity in the hall bath and cabinets in the kitchen which was reported to Citizens 10 days after the loss occurred. The SIU investigation established that the damage reported was pre-existing from a prior claim that was never repaired. The public adjuster and the insured voluntarily withdrew the claim, which was reserved at over \$16,000. A referral was submitted to DIF.

Miami-Dade: The insured reported that a supply line ruptured in the bathroom resulting in damage to the cabinets and flooring which was reported to Citizens 10 days after the loss occurred. The investigation determined evidence that the resulting damage did not occur from a single accidental event. Furthermore, there was evidence that some damage resulted from a water loss that pre dated the policy for which the insured received a settlement. The insured appeared for an Examination Under Oath (EUO) and failed to provide evidence of repairs. A DIF referral was submitted.

Broward: The insured claimed a broken drain pipe backed up and caused damage throughout the house which was reported to Citizens 12 days after the loss occurred. A payment of \$4,900 was made and the claim was reopened upon an appraisal demand of \$47,800. The SIU investigation developed evidence that the insured attempted to claim pre-existing damage from a similar backup, which had been submitted to his prior carrier. The demand for appraisal was denied and no further payments were issued. A DIF referral was submitted.

Broward: The insured claimed water related damage to the walls and cabinets as a result of a defective shower diverter valve, which was reported to Citizens eight days after the loss occurred. The SIU investigation along with the engineering inspection established the damages as reported by the insured pre-dated the date of loss and the issuance of the policy. Based on the SIU investigation findings, the claim was denied and no payment was made. A DIF referral was made.

Broward: The insured claimed that two separate and unrelated plumbing failures occurred within 5 days of each other, and resulted in damage to the kitchen and bathroom. The damage appeared inconsistent with a sudden and accidental loss. The insured failed to meet with the SIU representative for a recorded interview and failed to appear at an EUO. The claims, reserved at \$12,500, were denied due to insured's failure to cooperate with the investigation and post loss conditions.

Broward: The insured reported as a result of a broken drain line in the hall bath, there was resulting damage to the vanity in the hall bath and cabinets in the kitchen. The SIU investigation established that the damage reported was pre-existing from a prior claim that was never repaired. The public adjuster and the insured voluntarily withdrew the claim, which was reserved at over \$16,000. A referral was submitted to DIF.

Miami-Dade: The insured reported that a supply line ruptured in the bathroom resulting in damage to the cabinets and flooring. The investigation determined evidence that the resulting damage did not

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occur from a single accidental event. Furthermore, there was evidence that some damage resulted from a water loss that pre-dated the policy for which the insured received a settlement. The insured appeared for an EUO and failed to provide evidence of repairs. A DIF referral was submitted.

Broward: The insured submitted claims for two water losses; one due to a failed water line in the kitchen and the other involving an air conditioning leak, which reportedly occurred within two days of each other. The SIU investigation revealed that the water damage was long term and not the result of a sudden and accidental event. The claims, reserved at \$18,000, were denied due to failure to cooperate with the investigation and post loss conditions.

Broward: The insured submitted a claim for resultant water damage due to an adjoining neighbor's air handler. The water mitigation service provider was retained by the insured and presented a demand for payment of \$4,300. Through interviews with the insured, the SIU investigation established evidence that the water mitigation company attempted to inflate bill \$1,700 by over stating the amount of equipment used at the residence. The matter was referred to the Department of Insurance.

Miami- Dade: The insured claimed that the shower and toilet suddenly backed up due to a drain line break and caused extensive water damage to the cabinets and flooring, which was reported to Citizens seven days after the loss occurred. The SIU investigation, supported by engineer findings and interviews with witnesses, found no evidence of a sudden and accidental event and that the damage noted was long term leakage from the air conditioning system. The claim, reserved at \$15,000 was denied. A referral was submitted to DIF.

WATER – WEATHER RELATED

Ft. Lauderdale/Broward/Water- Roof Leak: The insured's public adjuster reported water damage to the ceilings resulting from a roof leak, which was the basis of the \$19,500 claim submitted to Citizens. The SIU investigation established evidence that the claim was staged to appear as a weather related roof leak. SIU submitted a referral to DIF. A DIF referral was submitted and as the result of their investigation, the insured was arrested and charged with insurance fraud.

Miami-Dade/Water- Roof Leak: The insured's public adjuster reported water damage throughout the home resulting from a storm that caused roof damage. The SIU investigation found evidence of long term water damage. Additional evidence of fabricated damage was found. The claim, reserved at \$5,400, was subsequently denied due to lack of evidence of damage attributable to a sudden and accidental water loss. A DIF referral was submitted and as the result of their investigation, the insured was arrested and charged with insurance fraud.