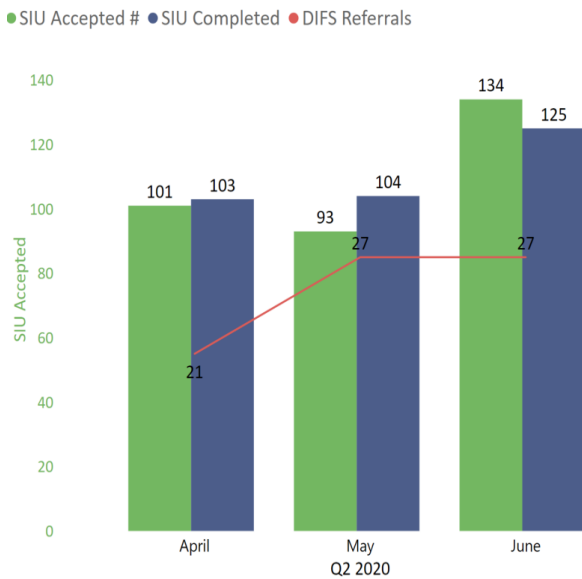


Addendum: SIU

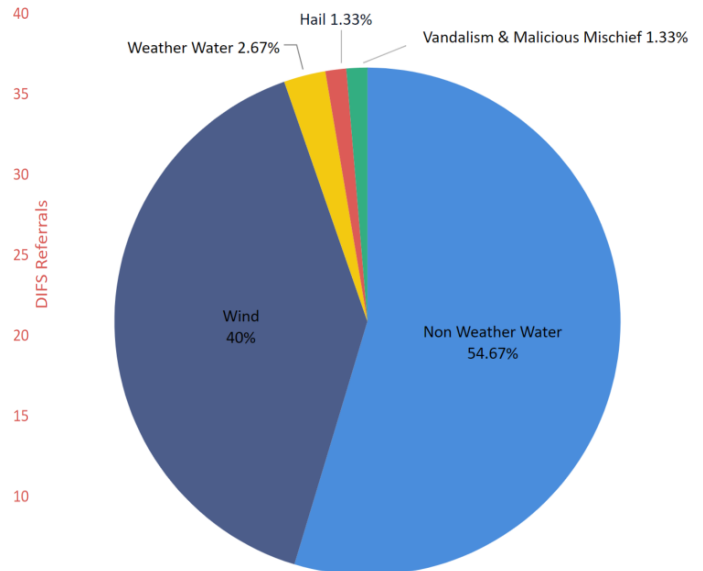
Claims Committee Meeting, September 8, 2020
Board of Governors Meeting, September 23, 2020

Special Investigations Unit

Q2 2020 DIFS Referrals Vs. SIU Accepted & Completions



Q2 2020 DIFS Referrals by Loss Type



Q2 2020

Investigations Accepted by SIU

Investigations Completed by SIU

SIU Investigations Resulting in DIFS Referral

DIFS Referral Rate

	Investigations Accepted by SIU	Investigations Completed by SIU	SIU Investigations Resulting in DIFS Referral	DIFS Referral Rate
CAT	75	97	22	22.7%
Non-CAT	253	235	53	22.6%
Total	328	332	75	22.6%

Overview

During the second quarter 2020, Citizens' Special Investigations Unit (SIU) accepted 328 claims for investigation and submitted 75 referrals to the Florida Division of Investigative and Forensic Services (DIFS) in accordance with our statutory requirements. Twenty-two percent of claims investigated by the SIU involved losses associated with Hurricane Irma, most of which are late reported by third party representatives such as attorneys, public adjusters, and contractors.

Major Case Update

During the second quarter, investigative findings were presented to DIFS in which evidence suggests that the principle owner and representatives of a Tampa-based roofing company engaged in a systematic insurance fraud scheme by soliciting claims from insureds and intentionally damaging roof shingles. SIU's investigation, which included witness interviews and retention of engineers, found that roofing company representatives solicited insureds whose roofing shingles surpassed 15 years and after executing an Assignment of Benefits (AOB), were observed physically damaging the roofing system to mimic storm-related shingle creasing. In some instances, insureds provided false information to Citizens in support of

Addendum: SIU

Claims Committee Meeting, September 8, 2020

Board of Governors Meeting, September 23, 2020

their claim. As a result of SIU's findings, 21 claims with a combined reserve of approximately \$133,000 were denied or voluntarily withdrawn.

Other Cases of Interest

Miami-Dade / Non-Weather Water: An SIU investigation supported by expert findings found no evidence of a recent plumbing leak as reported by the insured and no basis for the \$5,416 water mitigation services that were rendered under an AOB. The claim reserved at \$5,000 was subsequently denied for material misrepresentations and failure of the AOB provider to provide documentation of the loss. A DIFS referral was submitted.

Miami-Dade / Non-Weather Water: SIU's investigation into a water damage claim determined that the insured contrived the loss and submitted false documentation in support of the claim. The claim reserved for \$10,000 was withdrawn after it was learned that the house was not equipped with a garbage disposal, which purportedly caused the water damage, and that the plumbing repair invoice presented by the insured was fabricated. A DIFS referral was submitted.

Miami-Dade / Wind: An SIU investigation established evidence that the insured's Hurricane Claim was contrived and that the alleged damage was fabricated to mimic storm-related water stains. The claim was reported to Citizens one year and ten months after the event and after \$20,500 in water mitigation services were provided under an AOB. The claim reserved at \$27,556 was subsequently denied due to failure to submit to an Examination Under Oath (EUO) and comply with the policy conditions. A DIFS referral was submitted.

Martin, Miami-Dade, Palm Beach – Personal Lines / Policyholder: SIU identified four personal lines risks that were operating as Assisted Living Facilities. As a result of the investigations, one policy was nonrenewed, one was cancelled, and two were voided, removing a total of \$1,211,455 in exposure from Citizens. DIFS referrals were submitted for two of the insureds for application misrepresentation.

Miami-Dade – Personal Lines / Policyholder: SIU identified four personal lines risks that were operating as Large Family Daycares on properties covered by Citizens under personal lines policies of insurance. Large Family Child Care Homes as defined by Florida Statute 402.302(3) (11) are not eligible for Citizens' Personal Lines Policies. As a result of the investigations, three policies were nonrenewed and one voided, removing a total of \$1,304,990 in exposure from Citizens. DIFS referrals were submitted for two of the insureds for application misrepresentation.

Miami-Dade / Theft: SIU's investigation into a burglary claim revealed that the insured misrepresented the pre-loss condition of the property and submitted falsified repair invoices in support of the claim. The claim reserved for \$2,500 was denied after the insured failed to appear for an EUO and comply with post-loss conditions. A DIFS referral was submitted.