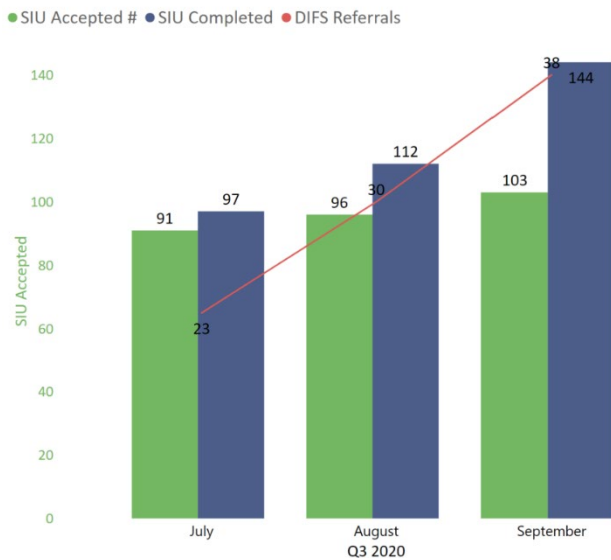


# Addendum: SIU

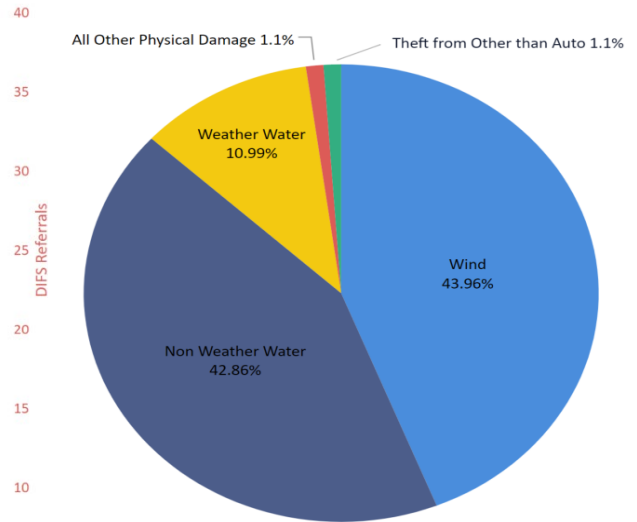
Claims Committee Meeting, December 8, 2020  
Board of Governors Meeting, December 16, 2020

## Special Investigations Unit (SIU)

Q3 2020 DIFS Referrals Vs. SIU Accepted & Completions



Q3 2020 DIFS Referrals by Loss Type



Q3 2020	Investigations Accepted by SIU	Investigations Completed by SIU	SIU Investigations Resulting in DIFS Referral	DIFS Referral Rate
CAT	59	80	30	38%
Non-CAT	231	273	61	22%
<b>Total</b>	<b>290</b>	<b>353</b>	<b>91</b>	<b>26%</b>

### Overview

During the third quarter 2020, Citizens' Special Investigations Unit (SIU) accepted 290 claims for investigation and submitted 91 referrals to the Florida Division of Investigative and Forensic Services (DIFS) in accordance with our statutory requirements. 26 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.

### Cases of Interest

**Broward / Non-Weather Water:** An SIU investigation into a water loss reported to Citizens 20 days after the occurrence and after \$4,382 in destructive water mitigation services revealed that the claim was contrived and the insured misrepresented the condition of the kitchen cabinets. The claim reserved at \$10,000 was denied based upon material, false statements made by the insured. A referral to the DIFS was submitted.

**Broward / Non-Weather Water:** After an insured opted to participate in Citizens' Managed Repair Program (MRP), a Tampa based water remediation and restoration company provided services under

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the guise of being sent by Citizens. The provider's bill of \$6,000 was not paid. A DIFS referral was submitted.

**Broward / Non-Weather Water:** An SIU investigation into a water heater leak determined that the insured misrepresented the ensuing damage and attempted to claim identical damage to the laminate floor from a previous water loss. The claim reserved at \$10,000 was denied as the damage to the flooring preceded that date of loss. A DIFS referral was submitted.

**Miami-Dade / Wind:** An SIU investigation into a roof damage claim reported 18 months after Irma established evidence, supported by an experts examination, that the damage was not storm related and that the insured misrepresented material facts regarding the replacement history of the roof. As a result of the investigative findings, the claim reserved at \$22,000 was denied and a DIFS referral was submitted.

**Miami-Dade / Non-Weather Water:** An insured's claim for \$10,000 in water damage from an AC leak was denied for material misrepresentation and omissions after an SIU investigation determined that that the insured lied about the condition of the laminate flooring which was claimed damaged during a previous loss to their prior carrier. A DIFS referral was submitted.

**Miami-Dade / Non-Weather Water:** An insured voluntarily withdrew their plumbing leak claim to Citizens after SIU determined that the loss was contrived and that the insured attempted to claim damage to the kitchen cabinets that had not been replaced following a prior loss. The claim reserved in the amount of \$5,000 was closed without payments. A DIFS referral was submitted.

**Miami-Dade / Non-Weather Water:** An insured withdrew their pipe-break claim after it was determined that the insured materially misrepresented the condition of the property at time of application and submitted a false claim for damage. The claim was reserved at \$5,000. A DIFS referral was submitted.

**Miami-Dade – Personal Lines / Policyholder:** An SIU investigation identified two personal lines risks that were operating as Assisted Living Facilities. As a result of the investigations, the policies were nonrenewed, removing a total of \$636,540 in exposure from Citizens. A DIFS referral was submitted on one of the policyholders where it was determined that a false application was submitted to Citizens.

**Miami-Dade – Personal Lines / Policyholder:** An SIU investigation 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. Although SIU determined there was no evidence of deceit on the policyholder's part, all four policies were nonrenewed and \$880,700 in exposure was removed from Citizens.

**Hernando County – Personal Lines / Policyholder:** A personal lines risk policy was voided at inception after an SIU investigation revealed that the insured failed to disclose existing roof damage and misrepresented the claim history. As a result, the policy was voided and a DIFS referral was submitted on the insured for material misrepresentation on the application.