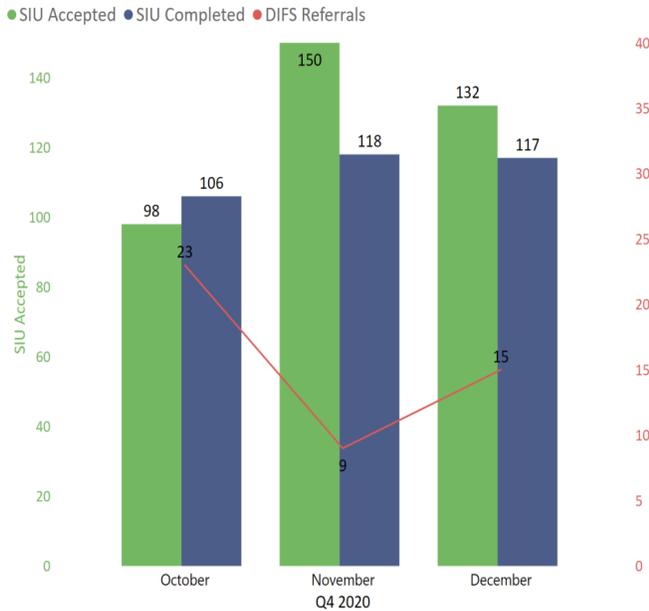


# Addendum: SIU

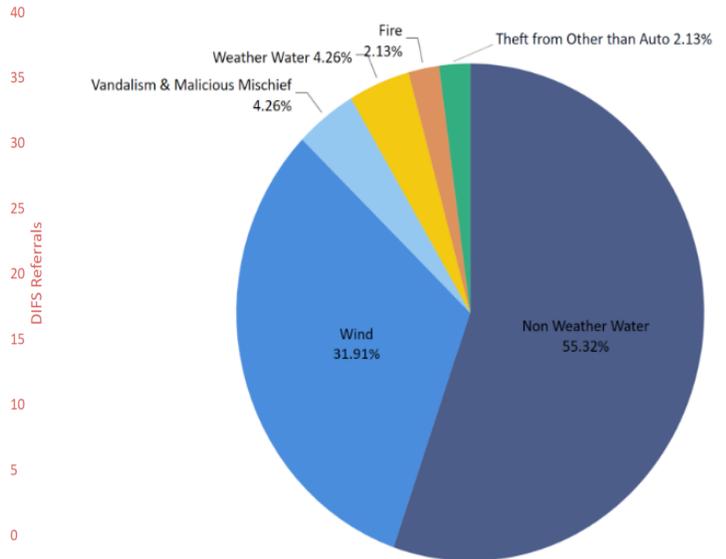
Claims Committee Meeting, February 23, 2021  
Board of Governors Meeting, March 3, 2021

## Special Investigations Unit (SIU)

Q4 2020 DIFS Referrals Vs. SIU Accepted & Completions



Q4 2020 DIFS Referrals by Loss Type



Q4 2020	Investigations Accepted by SIU	Investigations Completed by SIU	SIU Investigations Resulting in DIFS Referral	DIFS Referral Rate
<b>CAT</b>	188	138	9	7%
<b>Non-CAT</b>	192	203	38	19%
<b>Total</b>	<b>380</b>	<b>341</b>	<b>47</b>	<b>14%</b>

### Overview

During the fourth quarter 2020, Citizens’ Special Investigations Unit (SIU) accepted 380 claims for investigation and submitted 47 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 catastrophe losses, mostly associated with Tropical Storm ETA. Most of these claims have been reported by third party representatives such as attorneys, public adjusters, and contractors.

### Major Case Update

During the fourth quarter, SIU’s investigation into a roofing contractor in west central Florida established evidence, supported by engineer inspections, that representatives of the contractor solicited homeowners and intentionally damaged the insured’s roof. To date, the SIU completed investigations on 43 claims and submitted 23 DIFS referrals on this ongoing investigation.

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## Cases of Interest

**Miami-Dade / Windstorm:** An investigation into a Hurricane Irma claim determined that the claim was reported 2 ½ years after the storm made landfall and that the claim was solicited by an unlicensed “loss consultant” who prepared a \$119,000 damage estimate and directed over \$12,000 in emergency repairs that were performed under an Assignment of Benefits (AOB). The claim was subsequently denied as there was no evidence of storm-related damage. A DIFS referral was submitted.

**Miami-Dade / Burglary:** An SIU investigation revealed that the insured provided false information in support of \$18,000 in personal property they alleged was stolen from their residence while the home had undergone renovations. The claim was denied due to the insured’s misrepresentations under oath. A DIFS referral was submitted.

**Miami-Dade / Vandalism:** An SIU investigation determined that within six weeks of obtaining a policy of insurance on a condemned and dilapidated property, the insured submitted a claim for \$64,000 damage resulting from theft and vandalism to the rental property. There was no evidence that the damage to the property occurred as claimed by the insured and because the misrepresentation was material and disqualified the risk from coverage, the policy of insurance was voided to inception and no action was taken on the claim. A referral to DIFS was submitted.

**Hillsborough County / Fire:** An SIU investigation established that an insured fabricated and submitted \$32,000 in hotel invoices in support of Additional Living Expenses (ALE) following a fire sustained to the home. As a result, the claim for ALE was denied for misrepresentation, concealment of facts, and false statements made by the insured. A DIFS referral was submitted.

**Pinellas County / Plumbing:** An SIU investigation established that an insured fabricated and submitted a lease agreement in support of ALE following a pipe break sustained to the home. The insured did not incur any ALE associated with his loss and voluntarily withdrew the \$3,000 claim. A DIFS referral was submitted.

**Underwriting Fraud:** Through proactive investigative efforts, SIU identified seven personal lines risks that were operating as Assisted Living Facilities. The SIU investigation established that the policyholders owned and operated Assisted Living Facilities at the risk locations. As a result of the findings, four policies were nonrenewed, two were cancelled, and one was voided, removing a total of \$1,953,640 in exposure from Citizens. DIFS referrals were submitted where it was established that five policyholders misrepresented the risk on their insurance application.

**Miami-Dade / Windstorm:** An investigation into a roof damage claim that was purportedly the result of Hurricane Irma and reported three years after the storm determined that the damage could not be conclusively attributable to a wind event. The public adjuster representing the insured submitted a damage estimate of \$85,000 and a \$4,500 invoice for emergency tarping that that was performed over two years after the storm under an AOB. The insured failed to provide any proof of temporary repairs that were alleged to have been performed and declined repeated requests to discuss the loss with SIU. The claim was denied due to the insured’s late reporting of the claim which prejudiced Citizens’ investigation and failure to comply with post loss duties. A DIFS referral was submitted.