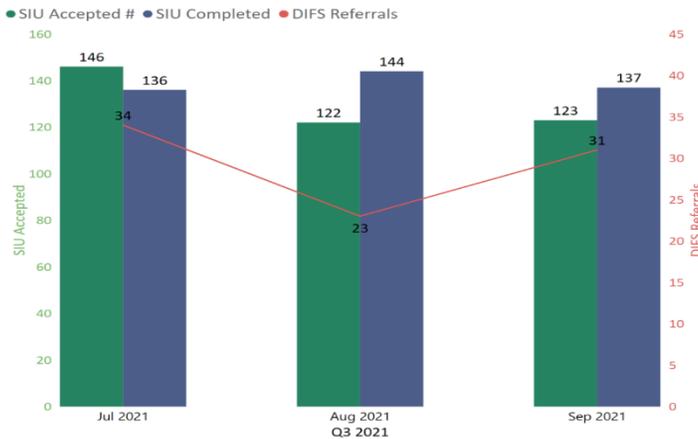


Addendum: SIU

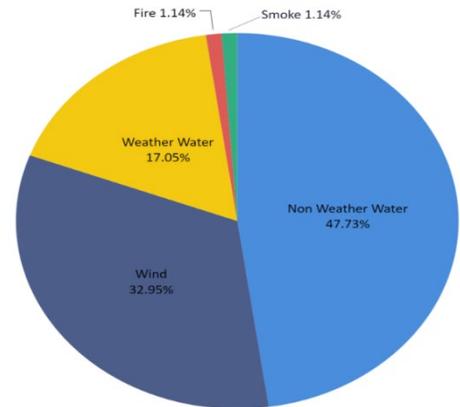
Claims Committee Meeting, December 2, 2021
Board of Governors Meeting, December 15, 2021

Special Investigations Unit (SIU)

Q3 2021 DIFS Referrals Vs. SIU Accepted & Completions



Q3 2021 DIFS Referrals by Loss Type



Q3 2021	Investigations Accepted by SIU	Investigations Completed by SIU	SIU Investigations Resulting in DIFS Referral	DIFS Referral Rate
CAT	96	120	31	25.8%
Non-CAT	295	297	57	19.2%
Total	391	417	88	21.1%

Overview

During the third quarter 2021, Citizens' Special Investigations Unit (SIU) accepted 391 claims for investigation and submitted 88 referrals to the Florida Division of Investigative and Forensic Services (DIFS) in accordance with statutory requirements. Most claims investigated by the SIU involved non-weather water (47 percent). Twenty-one percent of claims investigated by the SIU involved catastrophe losses, mostly associated with Tropical Storm Eta. Most of the claims are late reported, many by third-party representatives such as attorneys, public adjusters, and contractors.

Major Case Update

In July, it was announced that DIFS had arrested an employee of a Fort Myers roofing contractor for intentionally damaging roofs of customers. The investigation stemmed from an investigation by Citizens' SIU wherein the field investigator obtained video footage of the employee in the act using a tool to pry and manipulate roofing shingles, which was done prior to the Citizens adjuster arriving. The contractor repaid Citizens for the payments issued to the insured, who was unaware that the roofer had caused the damage.

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A former employee of the company told detectives that other employees provided detailed directions on getting a roof ready, “By causing enough damage that they qualify for a new roof,” including to “Make sure there’s no Ring doorbell cameras or any neighbors outside when you’re doing it.” In their Facebook Page, customers are invited to book their no cost roof evaluation and state, “you may qualify for a free roof through your homeowners’ insurance.”

Cases of Interest

Miami-Dade / Windstorm: An investigation into a Tropical Storm Eta claim reported 2 ½ years after the storm and after \$12,000 in water mitigation was performed under an Assignment of Benefits (AOB) determined that the roof damage pre-dated the loss and that the insured misrepresented the roof condition to Citizens. The claim was denied after the insured failed to appear for an Examination Under Oath (EUO). A DIFS referral was submitted.

Miami-Dade / Non-Weather Water: An investigation into an AC lead determined the insured claimed unrepaired damage from three losses that predated the policy and were submitted to his prior carriers. The claim was denied, citing misrepresentation and concealment. A DIFS referral was submitted.

Broward / Fire: After the insured submitted a claim for a kitchen fire, SIU determined that the insured exaggerated the loss, and that the minor damage pre-dated the policy. Moreover, the insured’s attorney submitted a grossly inflated estimate that included undamaged areas that were not affected by fire or smoke. As a result, the claim was denied and a DIFS was submitted.

West Palm / Non-Weather Water: An investigation revealed that damage claimed from a water leak revealed that the insured misrepresented that loss and that the water heater was not replaced as claimed by the insured. The claim was denied based upon concealment, fraud, and the insured’s failure to comply with post loss conditions. A DIFS referral was submitted.

West Palm / Non-Weather Water: An investigation into a water damage claim resulting from a broken supply line revealed that the insured misrepresented the repairs made to the supply line and the damage to cabinets, which pre-dated the loss. The claim was denied for concealment and misrepresentations made by the insured in the presentation of the claim and during the EUO. A DIFS referral was submitted.

Broward / Wind: An investigation into a windstorm claim submitted within 1 month of policy inception determined that the insured was aware that the damage pre-dated the policy. The claim reserved at \$5,000 was withdrawn. A DIFS referral was submitted.

Broward / Non-Weather Water: A personal lines policy was voided, and no payments were made on the \$130,000 damage estimate after it was determined that the insured lied on their application of insurance and the loss pre-dated the policy. A DIFS referral was submitted.

Brevard, Miami-Dade, Lee Counties – Personal Lines / Policyholder: After it was determined that three personal lines risks were operating as Assisted Living Facilities, an SIU investigation established that policyholders had misrepresented the risks on the applications to Citizens. As a result of the SIU findings, the policies were voided removing \$1,084,000 in risk exposure from Citizens. DIFS referrals were submitted for each of the three insureds for application misrepresentation.