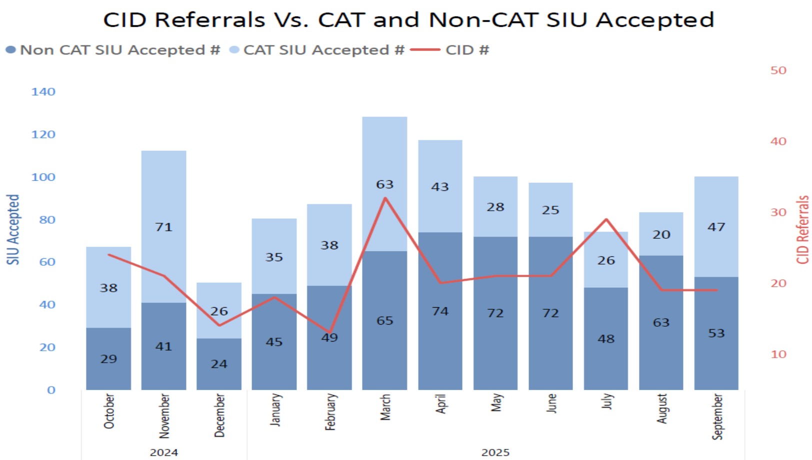
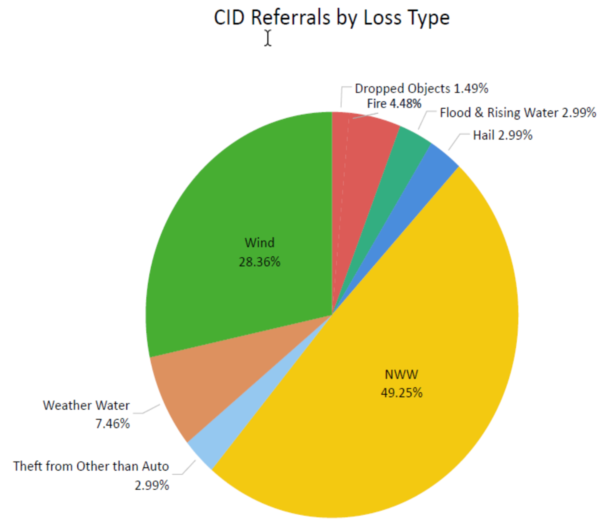
Addendum: SIU

Claims Committee Meeting November 20, 2025

Board of Governors Meeting December 10, 2025

Special Investigations Unit (SIU)





FBE* (DIF/CID) Referrals vs. CAT and non-cat Claim Investigations

Q3 2025	*Investigations Accepted by SIU*	*Investigations Completed by SIU*	*SIU Investigations Resulting in FBE* Referral*	*FBE* Referral Rate*	*Q2 2025 SIU Acceptance*	*% Change from Previous Quarter*
CAT	93	79	23	29.11%	96	▼3.23%
Non-CAT	164	168	44	26.19%	218	▼32.93%
Total	**257**	**247**	**67**	**27.13%**	**314**	▼22.18%

**Fraud Bureau and Enforcement pertains to complaints submitted to Florida's Bureau of Fraud, Criminal Investigation Division.*

Overview

In Q3 2025, Citizens' Special Investigations Unit (SIU) initiated 257 claim investigations, representing a 22% decrease from the previous quarter. Of the investigations completed, 67 cases were referred to the National Insurance Crime Bureau (NICB) and the Florida's Bureau of Fraud, Criminal Investigation Division (CID), in compliance with statutory requirements, an 8% increase over the prior quarter's 62 referrals.

Key Trends:

- Suspected wind and non-weather water losses continue to be the leading drivers of SIU referrals, accounting for 78% of claim types investigated.
- Approximately 27% of SIU investigations were referred to CID, with many involving third-party entities such as public adjusters and contractors.

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Enforcement Highlights

Citizens' Special Investigations Unit (SIU) continues to proactively identify and address fraudulent activity affecting both policy issuance and claims handling. Recent investigations have resulted in multiple arrests and criminal charges involving agency personnel, inspectors, and policyholders. These cases emphasize the importance of vigilance in underwriting and claims processes and demonstrate the effectiveness of collaboration between SIU and the Florida Department of Financial Services' Bureau of Insurance Fraud, Criminal Investigations Division (CID).

False Plumbing Leaks – Kissimmee, FL: In April 2025, a Citizens insured was arrested and charged with Insurance Fraud greater than $20,000 and False and Fraudulent Application. The insured submitted two non-weather-related water damage claims within 30 days of policy inception. SIU determined the damage to master bathroom cabinets predated both the policy and the reported loss. The insured's attorney withdrew representation and the claim. No payments were made, and the claim was formally denied.

False Insurance Application – Seminole County, FL: A Seminole County insured was arrested in May 2025 and charged with a felony offense for Presenting a False or Fraudulent Insurance Application. He failed to disclose that he operated an Assisted Living Facility at his residence—an ineligible risk under Citizens' underwriting guidelines.

Fraudulent Roof Claim – Clayton County, GA: In May 2025, a Citizens insured was arrested in Georgia and extradited to Florida on an outstanding warrant issued by CID. The arrest followed an investigation into a fraudulent roof damage claim. The insured reported storm damage allegedly occurred two years prior; however, SIU discovered the damage predated the Citizens policy and had already been reported to another insurer in 2019. The claim was deemed intentionally false. No payments were made, and the claim was denied.

These cases reinforce Citizens' commitment to fraud prevention, safeguarding policyholder funds, and maintaining the integrity of underwriting and claims operations.

Cases of Interest

Misappropriation and Theft of Premium by a Public Adjuster: Following a policyholder complaint, Citizens' Special Investigations Unit (SIU) launched an investigation that identified three separate instances in which a licensed public adjuster misappropriated more than $131,000 in indemnity payments intended for insureds. These payments were issued to three individual insureds (represented by the adjuster) in wind and water loss claims submitted to Citizens. SIU submitted referrals for each claim to the Department of Financial Services' Division of Investigative and Forensic Services (CID), which already had an open investigation into the adjuster. Notably, the adjuster had previously been arrested in 2024 for similar offenses.

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Palm Beach – Wind Damage: An SIU investigation revealed that, one month after the insured was indemnified by her prior carrier for a kitchen fire, her public adjuster submitted a new claim to Citizens for wind and resulting water damage. The investigation determined that the damage cited in the Citizens claim was pre-existing, related to the prior loss, and had not been repaired. No payments were issued on the claim which was denied because the damage was not associated with the wind event. As a result, NICB/CID referrals were submitted.

Saint Lucie – Wind Loss: An SIU investigation into a wind loss claim revealed that after receiving a knock on the door from a representative from a roofing company, a claim for damage associated with Hurricane Milton was reported to Citizens by a representative from a Florida law firm. The submission included a roof repair contract bearing the insured's signature. However, the insured later stated she had not signed the contract, retained the attorney, or authorized the claim. No payments were issued on the claim which was subsequently withdrawn by the insured. NICB/CID referrals were submitted.

Hillsborough – Wind: An SIU investigation into a wind loss claim determined that the insured was solicited at her home by a company claiming she had roof damage and misleading her to believe the repairs would be covered by FEMA. Subsequently, a Florida law firm—purporting to represent the insured—filed a claim with Citizens and scheduled an inspection. The inspection revealed no wind-related damage, and the $91,0000 claim was determined to be fictitious. Additionally, the attorney pursued over $31,000 in services, including water mitigation, mold testing, and roof tarping, despite being unnecessary. The insured advised that she had only provided one electronic signature, and all other signatures on the submitted claim documents were forged. The claim was withdrawn by the insured, and a referral was submitted to the NICB and CID

Miami Dade – Non-weather Water: An SIU investigation into a water damage claim revealed that a Florida law firm initially pursued a $30,000 claim on behalf of the insured, citing an air conditioning leak as the cause of loss. Additionally, Citizens received documentation and $3,600 in invoices for water mitigation services from a company different than the one initially reported by the insured. The services were allegedly rendered at the insured's residence for damage that occurred outside the effective coverage dates of the Citizens policy. The submitted documentation contained multiple discrepancies, including inconsistencies in the reported cause of loss, date of loss, and scope of work performed. As a result, no payments were issued, and the claim was denied. Referrals were submitted to both the NICB and CID.

Monroe County – Underwriting – Material Misrepresentation: An SIU investigation found that, contrary to the information provided on the personal lines insurance application, the insured was operating the property as a short-term rental prior to policy inception. The insured materially misrepresented key details and failed to disclose the true nature and use of the property. Based on SIU's findings, the policy was voided, effectively eliminating a risk exposure exceeding $280,000. Referrals were submitted to both the NICB and the CID.