

SIU CASES OF INTEREST

CLAIMS COMMITTEE MEETING SEPTEMBER 8, 2014
BOARD OF GOVERNORS MEETING SEPTEMBER 24, 2014

EXECUTIVE SUMMARY

Claims Operations

Charlotte County / Fire: The insured reported that the property sustained fire and smoke damage as a result of an unattended cooking fire as well as water damage from the fire department's efforts to put out the fire. The SIU investigation revealed that the insured submitted false and forged documents, and at least partially staged the loss. The claim, reserved at almost \$40,000, was denied due to failure to comply with policy conditions, fraud/misrepresentation during the claim. **As the result of the SIU referral to DIF, the insured was arrested and charged with three felony counts, including insurance fraud, scheme to defraud and uttering a forged instrument.** The insured filed suit against Citizens – however her attorney withdrew representation upon notice of the arrest.

Miami-Dade / Water – Back Up: The insured reported a claim for water damage to the home due to a sewage overflow in which water mitigation services appeared to be excessive. SIU investigation revealed evidence that the water mitigation company billed the insured for duplicative items and services rendered. The water mitigation invoice (\$23,571.75) was denied. A DIF referral was submitted based on the actions of the suspect billing by representatives of the water mitigation company.

Miami-Dade / Water – Pipe Break: The insured reported water damage to the kitchen cabinets due to a failed drain line under the sink resulting in more than \$30,000 as estimated by the insured public adjuster. The SIU investigation revealed that the insured attempted to claim the same unrepaired damage from a previous claim. The claim, reserved at \$10,000 was partially denied for pre-existing damage. A DIF referral was submitted.

Miami-Dade / Water – Pipe Break: The insured reported that a water supply line ruptured, causing water damage to the kitchen and master bedroom. The SIU inspection revealed that the water damage was not caused by a sudden and accidental water event as claimed by the insured and their public adjuster, and that the damage was pre-existing. The claim, reserved at more than \$11,000 was denied. A referral was submitted to DIF.

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Miami / Water – Pipe Break: The Insured reported water damage to the kitchen cabinets due to a failed drain line under the kitchen sink. Citizens tendered an initial payment of the insured for \$3,333. The claim was reopened when the insured filed an appraisal demand seeking additional money under the policy. The SIU investigation revealed that the damage was due to long term leakage and not from a sudden and accidental loss. Citizens received a withdrawal letter from the public adjuster and notice that the insured no longer wished to pursue the claim. The claim, reserved at \$5,000, was closed without further payments.

Miami / Water – Pipe Break: The insured reported water damage to the kitchen, due to a sudden and accidental pipe break occurring underneath the kitchen sink. The SIU investigation revealed no evidence of a leak; laboratory analysis substantiated the absence of a leak. The claim reserved at \$4,500 was denied. A DIF referral was submitted for long-term water damage.

Miami / Water – Roof Leak: The insured reported damage throughout the home due to a roof leak. The investigation revealed the damage claimed was found to be identical to that in prior losses. The claim, reserved at \$10,000, was denied due to preexisting damage.

Miami / Water – Pipe Break: The insured reported that as a result of a broken water supply line leading to the master bedroom toilet, there was water damage to the master bedroom and hallway flooring. Evidence was obtained during the SIU investigation which reflected that the loss did not occur. The insured withdrew the claim. As a result the claim, reserved at \$6,000, was closed without payment and a DIF referral was made.

Miramar / Water – Pipe Break: The insured reported water damage to the insured property from an unknown source. The SIU investigation revealed that the insured had intentionally claimed pre-existing damages. The claim, reserved at \$10,000, was closed without payment and a DIF referral was made.

Broward / Water – Roof Leak: The insured reported water damage to the ceiling resulting from a roof leak. Evidence obtained during the SIU investigation revealed that the claimed damage was staged for the purpose of collecting insurance proceeds. The claim reserved at \$10,500 was denied. A DIF referral was submitted.

Miami-Dade / Water – Pipe Break: The insured presented a claim to Citizens for a pipe leak in which repairs has already been initiated and included breaching of the

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tile floor and slab, despite there being no evidence of water damage occurring from a sudden and accidental event. The SIU investigation revealed that the insured misrepresented the existence of repairs for which he had previously received payment. The claim, reserved at \$6,000, was denied. DIF Referral was submitted.

Miami-Dade / Water – Pipe Break: The insured reported water damage to the home due to a failed water supply line attached to a washing machine. The SIU investigation revealed that the insured purchased the home “as is” with extensive damage that was not disclosed to Citizens at the time of the application. The claim, reserved at \$15,000 was closed and no further payments were made before the insured filed suit. A DIF referral was submitted.

Miami-Dade / Water – Roof Leak: The insured reported storm-related roof damage resulting in water damage to the living room, den and bedroom ceiling. The SIU investigation revealed that the loss was staged. The claim, reserved at \$6,500, was denied. A referral was submitted to DIF.

Miami-Dade – Theft: The insured initially reported that \$3,900 cash was stolen from her car. The SIU investigation revealed that the proof of loss documents were forged. The claim, reserved at \$1,200 was denied. A DIF referral was submitted.

Brevard / Water – Roof Leak: SIU opened an investigation following the reporting of three roof damage claims in which it was suspected that the roofing contractor may have acted illegally in the capacity of a public adjuster. The SIU investigation revealed evidence that the sales representative of the roofing company acted as a public adjuster without being licensed to do so, potentially in violation of Florida statutes. Based on the SIU investigation, a DIF Referral was submitted.

West Palm Beach / Dropped Object: The insured reported damage to the tile floor in the kitchen as a result of a glass jar falling on the floor. The SIU investigation determined that the damage to the tile floor predated the loss and that the insured misrepresented the facts of the loss. As a result, the claim reserve of \$12,000 was closed without payment. A DIF referral was made.

Haines City / Plumbing Back up: The insured reported water damage resulting from a plumbing back-up that overflowed into the kitchen. Citizens tendered an initial settlement of \$8,200. The claim was reopened when the insured sought a supplement for additional damage not mentioned in the original estimate and additional living expenses due to mold. The SIU investigation revealed pre-existing

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for which the insured has already received payment. The insured withdrew her claim, which was closed with no further payments. A DIF referral was submitted.

Ruskin / Vandalism – Theft: The insured reported severe damage to his residence resulting from vandalism by unknown person(s). During the SIU investigation, the insured failed to cooperate. The claim, reserved at \$6500, was denied for lack of cooperation.

Miami-Dade / Fire Loss – Cooking: The Insured reported that he left food on the stove unattended which resulted in fire and smoke damage throughout the residence and to personal contents. The SIU investigation revealed that the insured was attempting to be reimbursed for contents which he had returned and for which he had been fully refunded. No payments had been made on the claim when the insured filed suit against Citizens. A DIF referral was submitted.

Miami-Dade / Collapse: The Insured's public adjuster reported that the floors in the home were sloping with visible cracking of the walls and ceiling as a result of sinkhole activity under the home. The public adjuster submitted an estimate for almost \$200,000. The SIU investigation revealed that insured's signature on the estimate for almost \$200,000 had been forged. Despite the insured's lack of knowledge of the (forged) proof of loss, it was confirmed that the proof of loss was presented by the attorney firm during litigation and presented upon the court in support of the insured loss. A referral was submitted to DIF based upon evidence that a potentially fraudulent document was presented by the insured attorney.

Hillsborough / Fire loss: The insured reported a claim for damages to the dwelling and contents on a rental property due to fire. The SIU investigation revealed that there were no contents in the residence at the time of the fire. The claim for contents, reserved was \$5000, was denied. A DIF referral was filed.