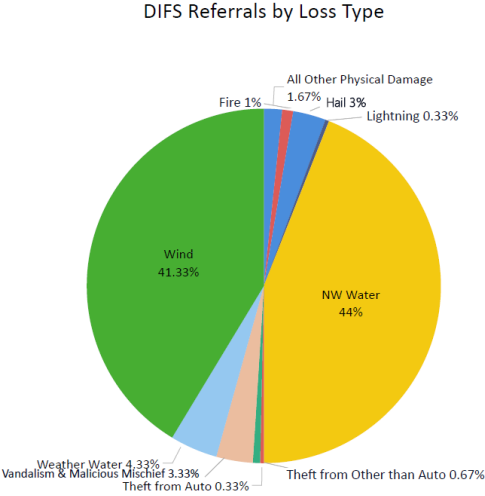
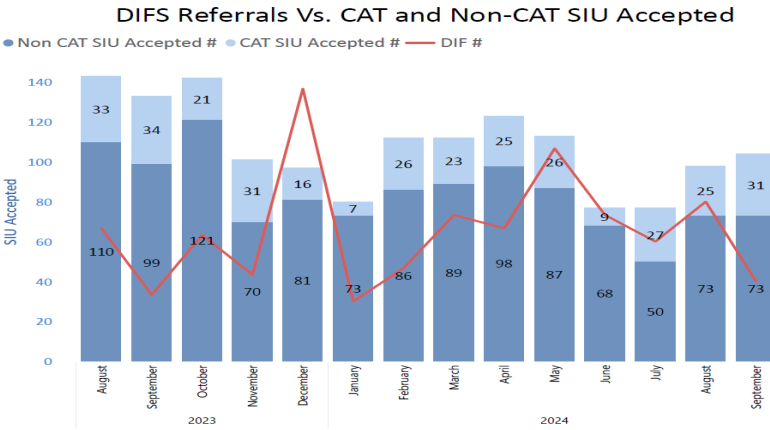


Addendum: SIU

Claims Committee Meeting, November 21, 2024
Board of Governors Meeting, December 5, 2024

Special Investigations Unit (SIU)



	<i>Q3 2024</i>	<i>Investigations Accepted by SIU</i>	<i>Investigations Completed by SIU</i>	<i>SIU Investigations Resulting in DIFS Referral</i>	<i>DIFS Referral Rate</i>	<i>Q2 2024 SIU Acceptance</i>	<i>% Change from Previous Quarter</i>
CAT		83	62	8	12.90%	60	▲28%
Non-CAT		196	203	61	30.05%	253	▼29%
Total		279	265	69	26.04%	313	▼12%

Overview

During the 3rd quarter 2024, the SIU opened 279 claim investigations which calculates to a 12% decrease from the previous quarter and generated 69 referrals to Florida’s Bureau of Fraud, Criminal Investigation Division (CID) in accordance with statutory requirements. Approximately 26% of claims investigated by the SIU were referred to the CID and 44% involve weather/wind claims, many that are solicited directly by third-party representatives, including public adjusting firms and contractors.

Major Case Update

In September, officials with Florida’s Department of Financial Services announced the arrest of a Florida home inspector for submitting false photos in wind mitigation reports to bind coverage with Citizens. The SIU investigation, which began in 2019, found over 200 instances where the home inspector submitted the same photos and never conducted the inspection. In a joint press release with Citizens, Florida’s CFO stated, “He re-used some of the same photographs that purported to show that many of the homes had measures in place to minimize damage from windstorms, Florida’s chief financial officer said in a statement Thursday. That resulted in lower premiums for the homes, cheating Citizens of more than \$42,000 in premium revenue, DFS said. The scheme also forced Citizens to reinspect every property at



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a cost of \$38,000. In addition, the alleged fraud exposed Citizens to potential claims and losses from storms.” [Please refer to the attached press release.]

Cases of Interest

Broward – Non-weather water: After Citizens issued over \$11,000 payments for mold testing and remediation, an SIU investigation determined that no work was completed by the service contractor that was recommended by the insured’s public adjuster and that the insured’s signature on the direction to pay documents presented to Citizens was forged. The public adjuster withdrew representation, and no additional payments were issued. A CID referral submitted.

Miami-Dade – Non-weather water: After a public adjuster submitted a repair estimate and incurred costs for temporary repairs and testing, which totaled over \$25,000 for two separate plumbing failure claims, an investigation determined that individuals solicited Citizens’ elderly insured and that the claims were fictitious and contrived. The claims were denied, and CID referrals were submitted.

West Palm – Wind: After the insured submitted an \$87,000 claim for water mitigation and permanent roof and interior damage resulting from a windstorm loss, an SIU investigation revealed that the claim was contrived, and that the insured was aware that the damage occurred prior to the issuance of the policy. No payments were made after the insured withdrew the claim. The referral was submitted to CID.

West Palm – Non-weather water: After the insured claimed water damage from a faulty drain line, an SIU investigation revealed that the insured falsified \$4,500 in housing expenses that were never incurred. The claim for additional living expenses was denied, and the matter was referred to the CID.

West Palm – Non-weather water: An SIU investigation found that the insured submitted false plumbing invoices in support of the claim. No payments were issued on the claim which was denied for non-cooperation after the insured failed to appear for an Examination Under Oath. Additionally, the insured’s public adjuster was issued a \$2,500 fine by Department of Financial Services, Agent and Agency Services for engaging in unlicensed public adjusting.

Miami-Dade – Non-weather water: After Citizens received a Notice of Intent (NOI) to litigate on a previously denied plumbing loss on behalf of an AOB service provider, the insured admitted to SIU that the loss was fabricated by the water restoration service provider working in concert with a public adjuster. The denial was affirmed, and a CID referral was submitted.

Miami-Dade – Windstorm, Non-weather water: An SIU investigation into two separate and unrelated losses (a plumbing leak and windstorm damage), determined that the insured was solicited to report the claims after she received an unannounced visit from a representative of a water mitigation service provider. The provider then directed peripheral services, including water mitigation, mold, and then coordinated with a public adjuster and attorney to report the respective claims which contained materially false information. The non-weather water claim was denied as there was no ensuing damage and no evidence of a sudden and accidental water loss and the windstorm damage claim was denied for lack of cooperation in providing documentation to support the loss. CID referrals were submitted.

Miami-Dade – Non-weather water: An SIU investigation determined that two unidentified representatives from the water mitigation service provider falsely claimed to work for Citizens during an

Addendum: SIU

Claims Committee Meeting, November 21, 2024

Board of Governors Meeting, December 5, 2024

unannounced inspection of the insured's home after which they reported a fictitious water loss claim from a plumbing leak. The insured refused water mitigation services and withdrew the claim which was reported without his consent. A CID referral was submitted.

Miami-Dade – Fire: An SIU investigation, supported by expert findings, determined that the insured submitted false information in support of a kitchen fire loss and that the damage was intentional. The claim was denied, and a referral was submitted to the CID.

Broward and Miami-Dade Counties – Personal Lines / Policyholder: SIU identified two insureds that submitted false insurance applications for personal lines coverage for risks that operated, at the time, as Assisted Living Facilities which are commercial establishments that would cost approximately \$1,200 more in premium and not eligible for liability coverage. As a result, the policies were non-renewed, removing \$457,930 in exposure from Citizens. CID referrals were submitted against the insureds for application misrepresentation.

Broward and Miami-Dade Counties – Personal Lines / Policyholder: SIU identified two insureds that submitted false insurance applications by failing to disclose they were aware, at the time, that the risks operated as Adult Family Care Homes that would have been \$387 more in premium and not eligible for liability coverage. As a result, the policies were voided, removing \$1,012,000 in exposure from Citizens. CID referrals were submitted.

Osceola County – Personal Lines / Policyholder: Citizen voided the insured's personal lines policy and removed risk exposure of \$644,300 after an SIU investigation determined that the insured filed a false application by failing to disclose that the home was advertised and operated as a short-term rental property which is ineligible for coverage with Citizens. A referral to the CID was submitted.

Press Release

Contact our Office of Communications

Communications@MyFloridaCFO.com | 850.413.2842

CFO Jimmy Patronis Announces Arrest of Hernando Home Inspector in \$88,000 Fraud Scheme

9/12/2024

For Immediate Release: Thursday, September 12, 2024

Contact: Office of Communications,

Communications@MyFloridaCFO.com, 850.413.2842

CFO Jimmy Patronis Announces Arrest of Hernando Home Inspector in \$88,000 Fraud Scheme

HERNANDO COUNTY, Fla. – Today, Chief Financial Officer (CFO) Jimmy Patronis announced the arrest of Jasiel Mena, a previously licensed home inspector, for allegedly falsifying home inspections in various Florida counties and defrauding Citizens Property Insurance Corporation (Citizens) out of approximately \$88,000. Mena was charged with one count of Scheme to Defraud, a first-degree felony.

CFO Jimmy Patronis said, “As insurance rates in Florida begin to improve little-by-little, fraud continues to serve as a source of frustration to Floridians paying higher premiums for insurance coverage. As the insurer of last resort, Citizens Insurance works to provide the best product for Floridians in need and when bad actors commit fraud, it’s stealing from all of us. As Florida’s CFO, I will continue to crack down on fraud and ensure fraudsters are put behind bars. Thank you to my Criminal Investigations Division for a job well done and the Attorney General’s Office for

prosecuting this case and upholding the law on behalf of honest, hardworking policyholders.”

Citizens President/CEO and Executive Director Tim Cerio said, “Citizens’ fraud investigators have long had a close working relationship with their DFS partners. We appreciate the support and cooperation of CFO Patronis and his team for their continued vigilance in ferreting out fraud.”

An investigation by CFO Patronis’ Criminal Investigations Division (CID) revealed that Jasiel Mena was contracted to do four-point home inspections and wind mitigation inspections for Citizens. Citizens’ Special Investigator Unit learned that Mena had allegedly utilized the same stock photos on over 200 inspections between January 2017 and October 2019. This resulted in Citizens having to reinspect every property at a cost of more than \$38,000. Citizens also lost more than \$42,000 in premiums that would have been charged if the true wind mitigation features of the homes were documented on the inspections. These fraudulent inspections exposed Citizens to windstorm home coverage on homes not properly mitigated for hurricane protections, exposing Citizens and their policyholders to possible massive losses. Citizens issued more than \$7,000 in refunds due to the erroneous inspections. The CID investigation determined that Mena acted alone and operated his business out of Hernando County. Fraudulent inspections were submitted in Hernando, Hillsborough, Pasco, Lee, Pinellas, Charlotte, and Polk Counties.

Jasiel Mena was arrested on September 4, 2024 with the assistance of Hernando County Sheriff’s Deputies and booked into the Hernando County Jail. Mena was charged with one count of Scheme to Defraud, a first-degree felony. If convicted, he could face up to 5 years in prison. This case is being prosecuted by the Attorney General’s Office of Statewide Prosecution.

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About CFO Jimmy Patronis

Chief Financial Officer and State Fire Marshal Jimmy Patronis is a statewide elected official and a member of Florida’s Cabinet who oversees the Department of Financial Services. CFO Patronis works each day to fight insurance fraud, support Florida’s firefighters, and ensure the state’s finances are stable to support economic growth in the state. Follow the activities of the Department on Facebook ([FLDFS](#)) and X ([@FLDFS](#)).