

# CitizensAdvisor



## Operation Flames and Floods II; More Fraud Arrests

MIAMI, FL – Highlighting a second wave of arrests, Florida Chief Financial Officer Jeff Atwater recently joined local prosecutors and Citizens representatives to announce charges against another 30 people in connection with fraudulent water and fire claims filed over the past several years.

Since its 2012 launch, Operation Flames and Floods has exposed an extensive scheme in which Jorge Espinosa, a Miami public adjuster, allegedly recruited homeowners to stage fire and water damage claims in residential homes. Fraudulent claims totaling \$14 million were filed to multiple insurance companies, including Citizens.

Espinosa previously was charged in February 2014 with similar crimes involving 18 claims totaling \$7.7 million in losses. The latest charges involve 25 more fraudulent claims representing total losses of \$6.7 million.

"It is clear that this scheme was driven by greed, and unfortunately, it is the honest policyholders in our state who are left on the hook to cover the millions of dollars that were stolen," Atwater said.

Operation Flames and Floods is a joint investigation between the Florida State Fire Marshal's Office, the Miami-Dade Police Department's Arson Unit and State Attorney Katherine Fernandez Rundle. Speaking at a May 20 press conference in Miami, Atwater said the arrests are part of an ongoing effort to ferret out fraud in non-catastrophic claims.

In February 2014, 14 people were arrested after 13 homes intentionally were set on fire and five more reported staged water damage. Further investigative efforts uncovered 25 additional fraudulent claims paid by Citizens and 12 other insurance companies.

"We applaud the efforts of CFO Atwater's office and Miami-Dade State Attorney Katherine Fernandez Rundle, and we are glad to have played a part in this investigation," said Joe Theobald, Citizens' Director of Special Investigations. "Insurance fraud translates into millions of dollars in costs paid by our policyholders. We must remain diligent in rooting out fraud."

**June 4, 2015**

### Events

**June 9 @ 10 a.m.**

[Information Systems Advisory Committee](#)

**June 16 @ 10 a.m.**

[Consumer Services Committee](#)

**June 23 @ 10:30 a.m.**

[Market Accountability Advisory Committee](#)

**June 23 @ 1 p.m.**

[Audit Committee](#)

**June 23 @ 2:30 p.m.**

[Finance and Investment Committee](#)

**June 23 @ 3:30 p.m.**

[Actuarial and Underwriting Committee](#)

**June 24 @ 9 a.m.**

[Board of Governors](#)

# Citizens Is Ready - Hurricane Prep a Year-Round Job

TALLAHASSEE, FL – The Atlantic hurricane season officially began June 1, and runs through the end of November, but preparing to respond to a catastrophe such as a tropical storm or hurricane requires planning, teamwork and thousands of hours of hard work involving nearly every unit at Citizens all year long.



Here's the bottom line: Citizens Is Ready.

"Citizens Is Ready" is a public education effort focusing on the programs and people working at Citizens to prepare Florida's largest property insurer for Florida's next natural catastrophe. Upcoming issues will highlight various activities taking place behind the scenes to ensure Citizens is ready to serve its customers when it is most needed.

Preparation activities are led by the company's Claims, Catastrophe Operations (CAT Ops) and Emergency Operations Center (EOC) units where employees from across the company work tirelessly behind the scenes for 12 months a year to ensure Citizens is ready to respond to agents and policyholders in their time of greatest need.

CAT Ops employees update Citizens' catastrophe response plans, conduct mock training exercises and communicate with employees and the public to get them ready for the season. EOC staff update field technology, equipment and resources, such as Citizens' Field Services Vehicles. Claims' leadership, managers and employees plan, acquire resources and train personnel to be ready to respond to a massive influx of claims should a disaster strike.



The company's efforts do not end there. Before any event, Citizens' Communications, Underwriting and Risk teams also must plan their responses in support of customers.

During an event, action is taken by CAT Ops, Communications, EOC and Claims, which includes a unit specifically assigned to address policyholders' special concerns through Citizens Customer Correspondence and eStorm teams.

Once the winds subside, Citizens' efforts continue unabated. The company conducts a post-event response analyses and reviews lessons learned to help it provide an even better response to Florida's next crisis. It also deploys its Special Investigations Unit to prevent and detect fraud committed by opportunists who seek to profit from the increased vulnerability of storm victims and high claims volume following a catastrophic event.

Citizens is Ready. Are you?

## Spotlight



**Joe Theobald**  
Director of Special  
Investigations

## Policies in Force

**586,156**  
as of May 29, 2015

## Quick Links

- [Newsroom](#)
- [Legislative Resources](#)
- [Outreach Form](#)
- [Online Sunshine](#)
- [The Florida Channel](#)
- [Board of Governors Materials](#)



[Unsubscribe](#)

# Insurance 101

## Why Does Windstorm Mitigation Matter?

Windstorm mitigation means steps taken to reduce the possibility and severity of damage to your property during a hurricane or other severe weather. The best time to prevent damage to your home is before severe weather strikes. By taking the proper precautions and strengthening your home, you not only can prevent or reduce damage, but you also may be eligible for discounts on the windstorm portion of your homeowners insurance premium.

There are several ways for you to mitigate damage to your home. Strengthening your "opening protections" by installing impact-resistant windows and doors or certain types of storm shutters is a good first step. Don't forget the garage door, usually the largest opening to a home. Keep in mind, failure to deploy opening protection devices may result in premium credits being removed.

Strong roofs are critical in mitigating storm damage. The weakest link in most residential construction is the area near the corners or gable ends of the roof. Once the roof is breached, damage escalates rapidly. If you are considering replacing your roof, be sure to speak with your licensed roofing contractor about using wind-rated shingles and including a "secondary water barrier" by using a sealed roof deck. Have the roof-to-wall connections strengthened, using hurricane clips or straps, to create a continuous load path that helps your home resist the uplift of high winds. Reinforce gable ends if your home has a gabled roof.

After installation, schedule a wind mitigation inspection with a licensed contractor. The inspection will confirm the improvements made to your home, and you can share the inspection with your insurance agent and company for applicable windstorm premium discounts.

Mitigation matters. Investing in mitigation can decrease your risk, increase the value of your home, and even help you save money. Strengthen your home, and protect your family.



## News Links

[Hurricane Season: Insuring Against Worst-Case Scenarios](#)

Public News Service

[Florida insurance industry better prepared for hurricane season](#)

Reuters

[Ten years since its last hurricane, Florida more vulnerable to catastrophe than ever, experts say](#)

Tampa Bay Times

[Jeff Atwater: Prepare now for Hurricanes ...](#)

Foster Folly News

[FSU researchers use drones to prep for hurricane season](#)

Tallahassee Democrat