

**DEPARTMENT OF FINANCIAL SERVICES
OFFICE OF INSPECTOR GENERAL**

**SIX-MONTH FOLLOW-UP REPORT
STATUS OF CORRECTIVE ACTION**

Reviewing Entity	Report	Report Title	Date Published
Office of Program Policy Analysis and Governmental Accountability (OPPAGA)	21-05	Several Factors Hinder Homeowner and Auto Glass Insurance Fraud Processing	March 4, 2021
Finding 1	<p>Division of Investigative and Forensic Services (DIFS) fraud processing was hindered by insufficient evidence, delays, and staffing challenges.</p> <p>DIFS closed most suspected homeowner and auto glass insurance fraud referrals without a resulting in a subsequent fraud case because the referrals lacked sufficient evidence to proceed, and most fraud cases did not result in successful presentations to prosecutors for similar reasons. DIFS staffing issues affect its ability to investigate complete insurance fraud cases. For example, during the review period, the DIFS referral evaluation process did not meet internal deadlines.</p>		
Recommendation	<p>Stakeholders suggested several options to deter fraud and improve the quality of data DIFS receives from insurance companies. These include eliminating one-way and contingency risk/fee multiplier fee provisions, restricting assignment of benefits guidelines for auto glass claims, reducing the time allowed for submitting hurricane/windstorm homeowner claims, revising statutory requirements for insurance company fraud reporting, providing for Special Investigative Unit (SIU) auditing, and modifying the Anti-Fraud Reward Program.</p>		
Responsible Division	DIFS		
Original Response	<p>DIFS proposed to</p> <ol style="list-style-type: none"> 1) Increase the number of required elements insurance companies must include in fraud referrals; 2) Establish routine audits of insurance company SIUs; and 3) Encourage more witnesses to report fraud via the Anti-Fraud Program. 		
Six-month Follow-up: September 4, 2021			
Reported Status	<ol style="list-style-type: none"> 1) DIFS is actively working on updating the referral form and its required elements. Once completed, DIFS will update web portal reporting and coordinate with Insurance Services Office, Inc. (ISO) and the National Insurance Crime Bureau (NICB) to change reporting gateway between their databases and DIFS'. 2) DIFS has proposed legislative language seeking the authority to audit SIU anti-fraud programs. DFS will submit the legislative proposal during the 2022 legislative session. 3) DIFS is proposing legislative changes to 626.9892, Florida Statutes (F.S.) to do away with the requirement of a conviction before awards can be issued. DFS will submit the legislative proposal during the 2022 legislative session. 		

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Expected Completion Date for Corrective Action	July 1, 2022
OIG Assessment	Partially Closed. Based on the information provided by division leadership, some corrective action appears to have been taken, but corrective action does not appear to be completed.