Finding 1

Division of Investigative and Forensic Services (DIFS) fraud processing was hindered by insufficient evidence, delays, and staffing challenges.

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.

Recommendation

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.

Six-month Follow-up: September 4, 2021

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.
<table>
<thead>
<tr>
<th>Expected Completion Date for Corrective Action</th>
<th>July 1, 2022</th>
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<tbody>
<tr>
<td>OIG Assessment</td>
<td>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.</td>
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