

LISA & MILLER ASSOCIATES

November 16, 2009

Mr. Randy Dumm, Chairman
Donna Sirmons, Staff Liaison
Windstorm Mitigation Committee
Of the Florida Commission on Hurricane Loss Projection Methodology
Via email transmission

Dear Chairman Dumm:

Thank you for giving me the opportunity to present remarks at the October 29, 2009 meeting. I wanted to follow-up with additional information about the recommendation I made concerning dedicated property insurance fraud prosecutors which could be included in the "Implementation" section (under the fraud subsection) of the report outline the Committee formulated during this past meeting.

As background, I wanted to provide the following:

1. The Department of Financial Services, Division of Insurance Fraud (DIF) has 197 employees which includes 151 sworn law enforcement officers located in 10 regional offices. During 2008-09, the DIF received 12,084 fraud referrals, opened 1,971 cases for investigation, presented 982 cases for prosecution, made 834 arrests and secured 532 convictions. In addition, if you review the latest insurance fraud trends, incidences of fraud are increasing and yet, unfortunately, DIF and other entities trying to fight it have been subject to budget cuts. Please see DIF's annual reports at http://www.fldfs.com/fraud/Annual%20Report/annual_reports.htm.
2. There are seven insurance fraud assistant state attorneys and seven paralegals dedicated to prosecuting PIP (personal injury protection – an auto insurance coverage) fraud in the following offices: two in Dade, one each in Broward, Palm Beach, Orange, Hillsborough and Duval counties. These prosecutors have worked very well in the various circuits.
3. There are two workers' compensation insurance assistant state attorneys and two paralegals that have been assigned to Dade and Orange counties.

Because there is a precedent of dedicating prosecutorial resources to pursuing insurance fraud, and in light of the facts and statistics presented during the Committee with respect to property insurance fraud in the wind mitigation arena, I would ask the Committee to recommend the following:

1. That the legislature funds at least four dedicated prosecutors to pursue property insurance fraud cases.
2. That the legislature specifies penalties for certain types of property insurance fraud clearly spelling those out in the statutes.

I am happy to do further appropriations and budgetary research about this topic for your report should you find that helpful. Thank you.

Sincerely,



Lisa Miller

cc: Jack Nicholson, Director, Cat Fund

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