

“Becker Uncovers Collusion Between Florida OIR & Citizens Insurance,” FLCAJ Magazine

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Citizens Property Insurance allegedly overcharged Florida condominium association policyholders for years, according to the Fort Lauderdale, FL., law firm Becker. The firm also accuses the Florida Office of Insurance Regulations (OIR) of partaking in secret communications with the insurer, which resulted in a consent order being issued without a trial or considering the legality of the insureds' claims.

In total, Becker reported nearly 150 condominium associations could be entitled to a refund as a result of being overcharged from 2003 to 2015. The law firm is attempting to recover as much as \$30 million in premium credits for its clients.

“OIR’s own mission statement states that its ‘primary duty is to serve and protect insureds through regulation, compliance, and enforcement,’” **Jeremy Sahn**, Becker shareholder and lead counsel for the client associations’ claims, said in a press release. “Yet in this case, OIR shirked that duty and, in doing so, broke the law.”

Failure to Apply Credits Leads to Suit

The case revolves around a revised rate manual Citizens filed in 2003 with OIR that included statutorily required credits for condominiums with concrete roof decking. However, Becker charges that the insurer failed to apply those credits to qualified condominium associations in the state.

Further, Becker alleges that Citizens made a fraudulent filing in 2004 in an attempt to remove language granting the credits from its manual. OIR approved the filing despite knowing the insurer’s failure to comply with the statute.

Two years later, the regulation office reversed itself and issued an order to Citizens to add back the required credits. However, the order didn’t require back payment for the three years of overcharges. Further, Citizens only granted credits to qualified insureds who submitted a formal request, despite knowing the qualified clients had reinforced concrete roof decking, according to the law firm.

This prompted Becker to file a complaint on its clients’ behalf with OIR, which ordered the insurer to refund the overcharges. Citizens contested the order and petitioned to have a formal administrative hearing. Instead of holding a hearing as

requested and required by law, OIR took part in private, one-sided communications with Citizens, according to the law firm. The result was a consent order, which effectively dismissed the complaint without a hearing.

The law firm claims OIR misused its authority by approving an insurance rate filing that was “fraudulent and illegal.”

“OIR’s illegal agreement with Citizens and issuance of a consent order without a hearing is an attempt to sweep Florida policyholders’ claims under the carpet and hide its actions from the public,” **Gary Rosen**, Becker managing shareholder, said in a statement.

OIR’s consent order is being appealed by Becker, which notes the ruling will impact hundreds of Florida wind policyholders.

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