



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS'

WEEKLY RUNDOWN

FLORIDA DEPARTMENT OF FINANCIAL SERVICES

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Volume 15 | Number 21 | June 8, 2018

Floridians,

Immediately following Hurricane Irma, I formed the Disaster Fraud Action Strike Team (DFAST) to detect and deter insurance fraud during the 2017 Hurricane Season's recovery phase. Before Subtropical Storm Alberto made landfall, we immediately activated DFAST units across the state to ward off any possible fraud and protect Floridians.

The 2018 Hurricane Season is here and we must continue to be on the look out for our families, friends and neighbors by reporting suspicious activity as soon as possible.

Possible indicators of post-storm fraud include a contractor or restoration professional who:

- pressured you to sign an Assignment of Benefits (AOB) contract and has failed to provide any repairs to your home or stopped responding to your contact attempts.
- offered to waive or discount your insurance deductible.
- offered to provide repairs at a cash-only discounted rate and has failed to provide repairs to your home.
- received payment and has failed to provide any repairs to your home.

Consumers who have experienced or witnessed these types of activity are encouraged to reach out to my Fraud Tip Hotline by calling 1-800-378-0445. Callers can choose to remain anonymous.

Sincerely,

Stay Connected



Jimmy Patronis
Chief Financial Officer
State of Florida



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News of Interest

Insurance Journal: [Florida activates anti-fraud teams in wake of Tropical Storm Alberto](#)

WFLA 8 Tampa: [Check your insurance policies to be prepared for storms](#)

WCTV Tallahassee: [Continuing Coverage: Mike Williams murder case](#)

News 4 JAX: [Tourism boost sought after Alberto blows through](#)

Florida Realtors: [Fla. group warns owners about assignment-of-benefits fraud](#)

Sunshine State News: [State challenges ruling on life insurance law](#)

News-Press: [June means school ends, hurricane preparation begins](#)

CFO Jimmy Patronis Consumer Alert: Floridians Must Protect Themselves Against Cryptocurrency Scams

Cryptocurrency continues to gain momentum in Florida:

- The Seminole County Tax Collector now accepts bitcoin and bitcoin cash to pay for property taxes, driver license and ID card fees, tags and titles
- Tampa/St. Petersburg [were ranked seventh](#) in the top 10 bitcoin-friendly cities in 2016
- Miami/Ft. Lauderdale were ranked eighth in the top 10 bitcoin-friendly cities in 2016
- There are more than [160 Bitcoin ATMs](#) across Florida
- An entirely [Bitcoin real estate transaction](#) in Miami took place in December 2017

CFO Jimmy Patronis said, "With new technology comes new ways for consumers to be defrauded. As cryptocurrency becomes more popular in our state, it's important for Floridians to fully understand what they are getting into before they invest. Texas has already opened 32 investigations into cryptocurrency

investment schemes, and with a local government in our state now accepting bitcoin as a form of payment cryptocurrency isn't going away. It's my goal to ensure consumers are protected.

"It's critical that consumers are aware that cryptocurrency remains an unregulated currency and should be aware of the following if they choose to purchase or invest in cryptocurrency."

1. **Do your homework.** Never invest based solely on what you read online, on social media, or in a bulletin or mailer. It's easy for a company, its promoters—including celebrities—to make grandiose claims about new product developments, lucrative contracts, or the company's financial health. Before you invest, you must independently verify those claims. Use unbiased sources, including the [U.S. Securities and Exchange Commission \(SEC\)](#) and securities industry [self-regulatory organizations](#).
2. **Cryptocurrency values can be unstable.** Cryptocurrency can be highly volatile with the potential for complete loss of value. This may affect investors as well as consumers using cryptocurrency as a means of payment. Cryptocurrency's volatility also may make securities offerings tied to these currencies unsuitable for most investors depending on an individual's financial goals.
3. **Cryptocurrencies can be stolen.** There is the potential for consumers to incur financial losses if an account is not maintained in a secure manner. Currently, most cryptocurrency accounts or "wallets" – unlike funds held in U.S. banks or credit unions – are not insured against loss.
4. **Cryptocurrency transactions may be taxable.** For federal tax purposes, the IRS has announced that cryptocurrency is treated as property. General tax principles applicable to property transactions apply to transactions using cryptocurrency. For more information, go to <https://www.irs.gov/newsroom/irs-reminds-taxpayers-to-report-virtual-currency-transactions>

State and federal regulators are evaluating and developing approaches to regulating cryptocurrency and companies that deal in cryptocurrencies. Any company that offers to exchange, administer, or maintain cryptocurrencies may be subject to state regulation and licensing as well as federal regulation.

Hurricane Season is Here, Insurance Coverages You Didn't Know You May Need for the 2018 Hurricane Season

With the official start of the 2018 Hurricane Season, Florida Chief Financial Officer (CFO) Jimmy Patronis reminds Floridians of the importance of financial preparedness before the next storm. CFO Patronis warns that homeowners insurance policies contain limitations and exclusions and it is important to review your policy to understand your coverages.

"Last year, Hurricane Irma alone resulted in more than \$8 billion in insured losses. If you haven't already, now is the time to financially prepare for the 2018 Hurricane Season," said CFO Jimmy Patronis. "Understanding your insurance coverage is a vital part of the hurricane preparedness process. Check your homeowners insurance policy and understand what is covered and what is excluded so that you have adequate coverage."

Homeowner's insurance policies vary from company to company. Here are eight insurance coverages you may consider for hurricane season:

- **Windstorm Coverage (if not included in your current homeowners policy).**
Windstorm coverage may be excluded if you live in a wind pool area (generally within 1,000 – 1,500 feet of a body of water, such as the gulf or the ocean).
- **Flood Insurance (if not included in your current homeowners policy).**
Flood coverage may be included in your current homeowners policy by endorsement, or a separate policy may be issued. This coverage is important to have even if you are not in a designated flood zone.
- **Food Spoilage.**
Food spoilage is not always covered by most policies; however, if the coverage is included, most companies cover food spoilage due to a power outage caused by direct physical damage on the insured premises.
- **Sinkhole Coverage.**
This covers sinkhole losses on any structure, including personal property. Coverage may be restricted to the principal building, as defined in the policy.
- **Additional Living Expenses/Loss of Use.**
This provides for the “additional” expenses of living elsewhere due to a loss to the insured residence by covered damage.
- **Inflation Guard Endorsement.**
This endorsement may be added to most policies and provides for an automatic percentage increase in coverage amounts to help keep your coverage aligned with current construction costs.
- **Replacement Cost Endorsement.**
This pays up to the limits for the replacement of a damaged or destroyed home or property, without deducting depreciation. This is different from Actual Cash Value, which pays for the actual value of damaged items and does not consider depreciation.
- **Law and Ordinance.**
This pays an additional amount to apply towards the cost to rebuild or repair damages due to the enforcement of any ordinance or law regarding construction, repair, or demolition.

Consumers should speak with their insurance agent or company to confirm the coverages on their policy as soon as possible. Once a storm develops, their insurance company may be under binding restrictions, and they may be unable to obtain a separate policy or add these important coverages to their current policy. Consumers should keep in mind that some property insurance companies offer flood coverage as an endorsement to the homeowners' policy, and typically there is a 30-day waiting period to obtain coverage through the National Flood Insurance Program (NFIP).

Those who have questions about their insurance coverage and how to financially prepare for the upcoming hurricane season are encouraged to contact CFO Patronis' Insurance Consumer Helpline by calling 1-877-693-5236 or visiting www.MyFloridaCFO.com/Division/Consumers/. The Helpline also provides consumers with a place to obtain contact information for their insurance company, verify the license of an insurance agent or adjuster and much more.

STEM and R&D employment growing in Florida

With affordable housing and the highest percentage of workers employed in "advanced industries" of any Florida metro, the Space Coast has a shot to become the next Silicon Valley. In 2015, nearly 14 percent of the local work force in Brevard County was in advanced industries, defined by the Brookings Institution researchers as those where research and development spending per worker ranks among the top 20 percent of industries and the share of workers with a high level of STEM knowledge exceeds the national average. That covers 50 different industries ranging from aerospace to auto to medical device manufacture, and including pharmaceuticals, electric power generation, computer system design, software and telecommunications.

Source: **USA Today's Florida Voices**

Florida land values strong thanks to rising economy

The heart of residential growth is occurring along the I-4 corridor from Tampa to Daytona Beach. From Jan. 1 to April 6, 83,524 people had moved into Florida, and the state's adjusted gross income grew by \$2 billion. People from New York, New Jersey, Pennsylvania, Ohio, and Connecticut (in that order) lead the migration into the state.

Source: **Florida Chamber of Commerce**

Florida setting torrid economic pace

In the wake of the 2008 recession, Florida climbed from an abyss created by the national residential real estate collapse to become one of the nation's highest performing markets. By the end of 2017, Florida ranked as the third fastest-growing economy, behind Texas and Idaho, in terms of percentage growth of real gross domestic product, a market basket measure of goods and services produced and consumed within a defined period. Florida's real GDP grew by 3.7 percent in the fourth quarter of 2017. In comparison, Texas ranked first with 5.2 percent real GDP growth. The United States closed the year at 2.5 percent growth.

Source: **U.S. Bureau of Labor Statistics**