

CEO of Heritage Insurance: 60 Minutes' Segment Ignores Key Facts

[September 30, 2024] The following is a statement from the CEO of Heritage Property & Casualty Insurance, Ernie Garateix, highlighting key facts provided to CBS News' *60 Minutes* but left out of their segment on Hurricane Ian recovery that aired Sunday, September 29, 2024:



CEO of Heritage Property & Casualty Insurance Ernie Garateix said, "As we told *60 Minutes* in a seven-page response to their questions, Heritage made many reforms and improvements following Hurricane Ian two years ago - including overhauling our claims software that now adds the name of any reviewer who works on the claim. The accusation by adjusters, via *60 Minutes*, that we used 'altered damaged reports to deceive customers' is flat wrong. Third party field adjusters, like Jordan Lee, always have to collaborate with those higher up in their company on their estimates and the company Lee worked for during Hurricane Ian is no longer in business."

Garateix continued, "60 Minutes also ignored the fact, even though we sent them the links and documents, that we [signed an order](#) with the Florida Office of Insurance Regulation following their investigation back in March of this year. This signed report also included a fine paid by Heritage where we acknowledged failures after Hurricane Ian and improvements we were committed to make. For example, we have already implemented a new claims system that tracks all names of those who work on claims. This change was also part of coming into compliance with Florida's new insurance reform laws after Hurricane Ian, [SB 7052](#), which we also sent to *60 Minutes* to demonstrate that there had been industry-wide reforms to claims tracking in Hurricane Ian's aftermath.

"It is important to point out that when we did our own review of Hurricane Ian claims following 60 Minutes' outreach - using a random sample of 10,000 claims - we found that 4,162 of those were revised downward, **2,583 of them were revised upward and about 3,311 of them had no change** from what the adjuster reviewed. This is further evidence that we work to pay every eligible claim."

Garateix concluded, "We are not commenting on the specifics of the Rapkin case because it is an active lawsuit. However, we do want to stress that there are often legitimate reasons to repair a roof versus replacing a roof. In the case of Jordan Lee, records show that some of his estimates were revised downward by his adjustment firm because he would include screen enclosures, for example, that were not included in a homeowner's policy. Additionally, third party adjusters are also paid based on a percentage of the claims they write. We are also aware of Jordan Lee being asked to collaborate by his employers at the third party adjustment firm and he would ignore that request for collaboration on his estimates. This meant the quality assurance process of that company would often have to continue on without Mr. Lee's involvement in order to not delay the claims process."

BACKGROUND: A few of the key improvements Heritage Insurance made to enhance services since Hurricane Ian include:

- The creation of a Governance and Compliance Director position to further ensure compliance with all state claims requirements;
- An expansion of the claims quality assurance process;
- The addition of resources to internal audit functions;
- The implementation of a new claims management software;
- The added requirement that field adjusters document the manner in which they provide the policyholder with a printed or electronic document;
- The modification of software to require the adjuster license number be included;
- The creation of automated reports to track compliance claim timeframes;
- The reformulation of our interest calculator on claims;
- The required validation of names and licenses of new third-party desk adjusters;
- The implementation of a new claims training program;
- The expansion of the Claims Quality Assurance function to include 10 employees.

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