

Burford "The people I've worked with at Burford have been great." **Finance for the future of law.** CONTACT BURFORD >

Class Action Targets CIBA Insurance as 'Ponzi Scheme'

One of nine filing attorneys for the putative class action, Coral Gables lawyer Adam Moskowitz, said CIBA Insurance "has been able to skirt the insurance regulators, so there are no regulators checking their books every month."

By **Greg Land** | April 09, 2018 at 04:15 PM



Adam Moskowitz, The Moskowitz Law Firm, Coral Gables. Photo: Albert Diaz/ALM Insurance SE.

Burford

In 2017, Burford committed \$1.3 billion to law firms and clients.

What are you waiting for?

CONTACT BURFORD >

According to the [complaint](#), CIBA—which operates in 48 states—rakes in tens of millions of dollars in premiums annually while circumventing insurance laws in California and nationally.

CIBA and its insurance company partners have issued coverage for more than \$50 billion in property, but only have \$1 billion available in coverage per occurrence for the entire pool of insureds, the complaint said.

By working with companies that are legally registered insurers, but conceal CIBA's role in covering the first million dollars of smaller claims, the lawsuit claims CIBA can "illegally engage in the business of insurance in California (and across the country) while avoiding compliance with regulatory requirements for insurance carriers and evading scrutiny from state insurance regulators."

A "single catastrophic occurrence could deplete the entire shared limit of available coverage, i.e., property owners could be stuck for footing the bill for repairs and replacements despite paying thousands of dollars for insurance coverage," the complaint said.

Trending Stories

- Who Owns E-Discovery's Largest Companies?**
LEGALTECH NEWS
- Judge Declares Mistrial in Ford Case**
DAILY REPORT ONLINE
- Allen & Overy, O'Melveny Eye Potential Trans-Atlantic Union**
THE AMERICAN LAWYER
- Philadelphia Family Court Judge Has a History of Violating Parents' Rights**
THE LEGAL INTELLIGENCER
- Q&A: Jim Walden on His 'Icarus' Cameo, Creating a No-Drama Law Firm**
NEW YORK LAW JOURNAL

ADVERTISEMENT

Burford

"The people I've worked with at Burford have been great."

Managing Partner, AmLaw-ranked litigation boutique

What are you waiting for?

CONTACT BURFORD >

The arrangements not only jeopardizes those carrying CIBA policies, but also impact the way claims are handled, according to the complaint. Plaintiff Sage Apts LLC, a Wyoming apartment complex, canceled the CIBA program policy it purchased through Great Lakes "due to poor claims handling" after paying "tens of thousands of dollars in premiums and property assessments for property and liability insurance."

Great Lakes is based in Munich, Germany.

The complaint was filed in California's Northern District by a group of lawyers including William Levin, Laurel Simes and Rachel Abrams of San Francisco's [Levin Simes](#); William Merlin and Michael Poli of Los Angeles' [Merlin Law Group](#); Adam Moskowitz, Howard Bushman and Adam Schwartzbaum of Coral Gables, Florida's [Moskowitz Law Firm](#); and Andrew Friedman of Phoenix, Arizona's [Bonnett, Fairbourn, Friedman & Balint](#).

"Our team has been investigating these Ponzi scheme claims for over a year with some of the best experts in the country," said Moskowitz, and "will all continue to meet with consumers that have policies with CIBA, especially those in California where CIBA is based."

The complaint said CIBA has been providing commercial property insurance since 1993, but has expanded rapidly over the past 10 years.

"The reason this is scary is because they're not being regulated as an insurance company, and the result are these precarious policies," said Moskowitz.

Asked how CIBA has avoided scrutiny all these years, Moskowitz said "they've been able to skirt the insurance regulators, so there are no regulators checking their books every month. If they were following the law someone would have picked this up."

There was no immediate reply from a CIBA communications official on Friday, and Great Lakes could not be reached for comment.

SHARE ON FACEBOOK SHARE ON TWITTER

Greg Land

Greg Land covers topics including verdicts and settlements and insurance-related litigation for the Daily Report in Atlanta.

More from this author >

Dig Deeper

- Commercial Litigation
- Commercial Law
- Insurance Law
- Insurance Litigation
- Insurance
- State and Local Government

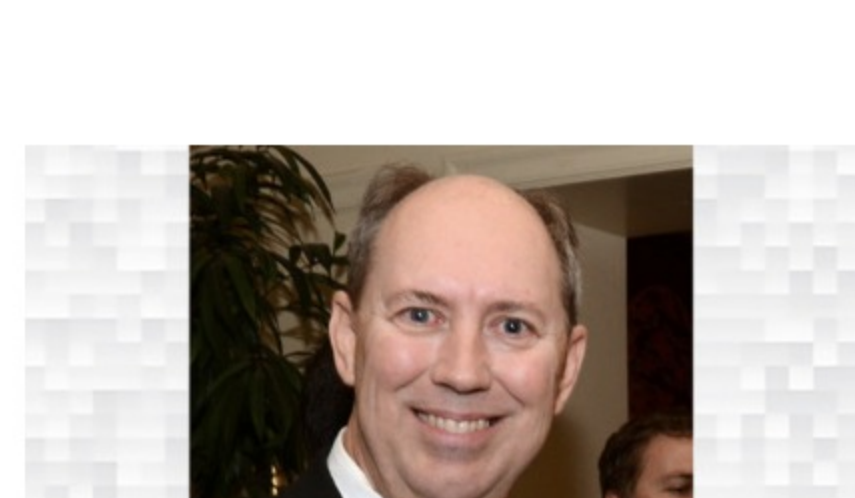
Burford 88 of the AmLaw 100 have done business with Burford. **What are you waiting for?** CONTACT BURFORD >

Recommended Stories

Appeal Puts Spotlight on Fee Claims Against Lenders After Foreclosure

SAMANTHA JOSEPH | APRIL 09, 2018

The case involves a demand for reimbursement for a condo association's collection efforts targeting U.S. Bank.



Featured Firms

Law Offices of Mark E. Salomone
2 OLIVER ST #608
BOSTON, MA 02109
857-444-6468www.marksalomone.com

Gary Martin Hays & Associates P.C.
235 PEACHTREE ST NE #400
ATLANTA, GA 30303
800-898-4297www.garymartinhays.com

Smith & Hassler
225 N LOOP W #525
HOUSTON, TX 77008
(877) 777-1529www.smithandhassler.com

Presented by BigVoodoo →

SPONSOR CONTENT
By Burford Capital

New research shows continued growth of litigation finance

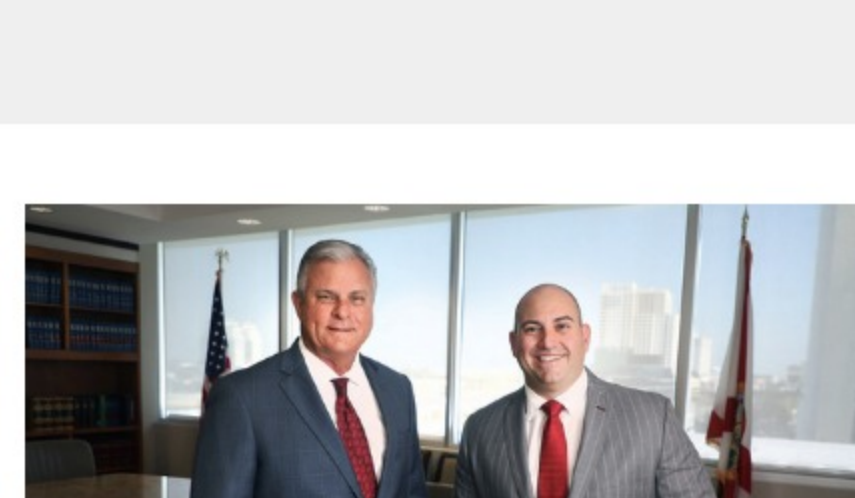
Use of litigation finance has grown more than four-fold since 2013. The circumstances leading to this dramatic growth and best practices for its use are among the subjects addressed in a 2017 survey of hundreds of AmLaw and in-house lawyers in the US and around the world.

Latest research on litigation finance

Attorneys Secure \$5 Million for Woman Who Had 4 Amputations After Snakebite

SAMANTHA JOSEPH | APRIL 09, 2018

Joseph J. Slama and Brent Reitman had to overcome a common-law defense protecting property owners from liability for attacks by wild animals.



Florida Republicans Confident They Can Fend Off 'Blue Wave'

JIM TURNER, NEWS SERVICES OF FLORIDA | APRIL 09, 2018

Florida Republican leaders who gathered in Tampa believe they can hold back a Democratic wave in November to keep the "Trump agenda alive."



More from ALM

- CLE Center
- Legal Compass
- Events
- Webcasts
- Lawjobs
- Professional Announcements

Premium Subscription

With this subscription, you will, on-demand access to high quality, online, on-demand premium content from well-respected faculty in the legal industry. This is perfect for attorneys licensed in multiple jurisdictions or for attorneys that have fulfilled their CLE requirement but need to access resourceful information for their practice areas.

View Now

Team Accounts

Our Team Account subscription service for legal teams of four or more attorneys. Each attorney is granted unlimited access to high quality, on-demand premium content from well-respected faculty in the legal industry along with administrative access to easily manage CLE for the entire team.

View Now

Bundle Subscriptions

Gain access to some of the most knowledgeable and experienced attorneys with our 2 bundle options! Our Compliance bundles are curated by CLE Counselors and include current legal topics and challenges within the industry. Our second option allows you to build your bundle and strategically select the content that pertains to your needs. Both option are priced the same.

View Now

CLE Center →

ALM Legal Publication Newsletters

Sign Up Today and Never Miss Another Story.

Subscribe Now

As part of your membership, you can sign up for an unlimited number of a wide range of content from our award-winning newsletters. Visit your [My Account](#) page to make your selections. Get the timely legal news and critical analysis you cannot afford to miss. Tailored just for you. In your inbox. Every day.

Privacy Policy

Publications The American Lawyer Corporate Counsel National Law Journal New York Law Journal New Jersey Law Journal The Recorder More Publications >	Law Topics Litigation Transactional Law Law Firm Management Legal Practice Management Cybersecurity Intellectual Property More Law Topics >	Rankings AmLaw 100 AmLaw 200 Global 100 National Law Journal 500 Pro Bono Scorecard The A-List More Rankings >	More Events Legal Compass Editorial Calendar Briefings Legal Dictionary Jobs Law Firms Law Schools	Law.com About Us Contact Us Site Map Advertise With Us Customer Support Terms of Service FAQ Privacy Policy
--	---	--	---	--