

# Saint Petersburg

## Citizens Insurance, regulators warn of fraud post-Hurricane Matthew



[Michael Moline0](#)

Citizens Property Insurance Corp. was quick to warn policyholders against signing away their rights in exchange for quick repairs following Hurricane Matthew.

Florida's insurer of last resort issued a press release Sunday urging policyholders to call the company before entering into assignment of benefits contracts with contractors or other third parties.

"Here's why," Citizens said. "You may be signing away your rights and be left with unfinished repairs or forced to pay a contractor for repairs not covered by your policy. The policy may also place a limit on emergency repairs until Citizens is notified to inspect damage before permanent repairs are made."

The insurer blames these agreements for most of a 6.4 percent rate increase [approved](#) by the Florida Department of Insurance Regulation Sept. 18. The contracts can result in inflated repair costs and expensive litigation.

"Unfortunately, unscrupulous contractors and repair companies thrive in the frenzied days following any storm," Citizens said. "Policyholders must be wary of unlicensed contractors or deals that sound too good to be true."

The company said policyholders are most likely to be offered assignment of benefits contracts while making emergency repairs, or by contractors who go door-to-door seeking business. They may even be told that repairs can't begin until they sign an agreement.

You can call Citizens at 866-411-2742.

State regulators underscored the need to call your insurance company before undertaking repairs. Many have deadlines for reporting damage, state Chief Financial Officer **Jeff Atwater**, Insurance Commissioner **David Altmaier**, and Insurance Consumer Advocate **Sha'Ron James** said in a press release.

And beware of fly-by-night repair services.

“Use the Department of Business and Professional Regulation’s Contractor License lookup to make sure all contractors are properly licensed and bonded. Access DBPR’s licensee search [here](#),” they said.

Carefully review any contracts, and ensure that any public insurance adjuster holds a Department of Financial Service license. You can search [here](#).

“If you suspect fraud or suspicious activity, call the Department of Financial Services, Division of Consumer Services Insurance Consumer Helpline, immediately at 1-877-693-5236,” the regulators said. “Your concerns will be promptly referred to insurance fraud investigators.

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