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FOR IMMEDIATE RELEASE

Panama City Meeting Does Not Represent All Contractors

Some Restoration Vendors and Trial Lawyers Oppose Reforms That Are Driving Up Home and Auto Insurance for Consumers

PANAMA CITY, Fla. (Jan. 16, 2019) – The Restoration Association of Florida (RAF) does not speak for all contractors and, in fact, supports the agendas of many of the remediation and trial lawyer firms responsible for the explosion of Assignment of Benefits abuse, which is driving up the cost of insurance for Floridians, the [Consumer Protection Coalition](#) said today.

The Consumer Protection Coalition (CPC) is a coalition of about two dozen organizations founded in 2016 to stop AOB abuse as it relates to property and auto glass insurance claims. Members include the Florida Roofing and Sheet Metal Contractors Association (FRSA), Associated Builders and Contractors (ABC), and the Florida Refrigeration and Air Conditioning Contractors Association (FRACCA), which together represent thousands of contractors across the state.

“The Restoration Association of Florida is not the voice of Florida’s contractors,” said Cam Fentriss, spokeswoman for FRSA and FRACCA. “Hardworking contractors across the state are tired of the status quo when it comes to Assignment of Benefits abuse and want the law changed to protect consumers from dishonest contractors who are tarnishing our industry’s reputation.”

Since Hurricane Michael hit the Panhandle, the CPC has advocated that consumers should be served promptly by the insurers and remediation firms and should have recourse if their claims aren’t handled properly. The CPC has also warned consumers to beware of the dangers of signing an AOB to start repairs for damages. When consumers sign an AOB, they turn over control of their insurance policy to a third party, allowing unscrupulous vendors working in cahoots with trial lawyers to inflate the cost of claims and file lawsuits against insurance companies that dispute the amount. **The results are increased insurance costs for everyone.**

RAF, which held a Town Hall Meeting today in Panama City, opposes AOB reforms that protect consumers from fraud as well as rising insurance costs.

“Reputable contractors know that they don’t need AOBs in order to get paid for work covered by insurance,” said Paul Huszar, President and CEO of VetCor Services, a water damage restoration company and member of the CPC. “Contractors who force customers to sign AOBs, while in the minority, are hurting our profession and eroding people’s faith in the work we do. It must be stopped.”

The CPC, which is led by the Florida Chamber of Commerce, supports legislation to protect consumers and rein in AOB abuse by allowing consumers to retain control of their policies if they sign an AOB. Recent proposals have called for commonsense solutions, such as allowing consumers to rescind an AOB without penalties, requiring contractors to submit written cost estimates and revising one-way attorney fees, which are incentivizing the lawsuits.

The Florida Legislature has indicated AOB reform will top their list of priorities in 2019. Headed into the legislative session, Sen. Doug Broxson (R-Pensacola) has already filed legislation intended to curb AOB abuse, and Rep. Cyndi Stevenson (R-St. Augustine), incoming chairwoman of the House Insurance and Banking Subcommittee, has expressed the need to reform AOB this session. During the Florida Office of Insurance Regulation's Summit this week in Tallahassee, Florida Insurance Commissioner David Altmaier called AOB the "No. 1 insurance issue" facing consumers.

Florida's Chief Financial Officer Jimmy Patronis has described AOB fraud as a "Category 5 hurricane," which left unchecked, will impact the accessibility and affordability of insurance for all Floridians.

"As insurance carriers here in the state of Florida start to see the problems of AOB lawsuits growing, they're going to start saying, 'I'm not going to write that ZIP code anymore. I'm not going to write that neighborhood anymore,'" said Patronis, during the Florida Chamber Foundation's Economic Outlook and Jobs Summit Monday in Orlando. "So then what happens is people will go to the insurance of last resort. Citizens starts to repopulate."

The CPC plans to continue to show the harmful impact AOB is having on consumers and looks forward to working the new Senate and House leadership to pass meaningful reform to end the abusive practices.

The Consumer Protection Coalition is a broad-based group of professionals advocating for reforms to end Assignment of Benefits (AOB) abuse. Members include the Florida Chamber of Commerce, Florida Justice Reform Institute, Florida Roofing and Sheet Metal Contractors Association, Insurance Information Institute, National Association of Mutual Insurance Companies, Personal Insurance Federation of Florida, Property Casualty Insurers Association of America, Safelite Group Inc., Associated Builders and Contractors, Citizens Property Insurance Corp., Council of Property Claims Professionals, Florida Association of Insurance Agents, Florida Bankers Association, Florida Property and Casualty Association, Florida Realtors, Florida Refrigeration and Air Conditioning Contractors Association, Florida Retail Federation, Latin American Association of Insurance Agencies, National Insurance Crime Bureau, Professional Insurance Agents of Florida, Rytech and VetCor Services.

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