

WCTV (Tallahassee, FL)
Florida Contractors Fight Insurance Change
By Edan Schultz
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Tallahassee -- A plan to change insurance rules in Florida could impact you if your home is damaged by fire, flood or a storm.

Legislation would block contractors from dealing directly with insurance companies on behalf of a homeowner.

It's troubling to many contractors, including Jeff Grant, whose run Bone Dry Restoration in Tallahassee for a decade.

"It will put me out of business. I have no doubt," said Grant.

The legislation would prohibit what's called 'assignment of benefits,' where a homeowner authorizes an insurance payout goes directly to a contractor.

"The homeowner is not put in a position to be out of pocket a bunch of money," under assignment of benefits, said Grant, "and we know if we do the right thing and follow these standards we will be paid."

Grant says banning the assignment of benefits will leave homeowners fighting the insurance company on their own trying to get payment, rather than leaving it to the contractor.

"You don't know the industry. You're not trained. You don't know what was wrong with your house, and 99% of the time (the insurance company) can convince that homeowner to go away," Grant explained.

He also worries that homeowners will stick contractors with the cost, refusing to pay. That would force companies like his to resort to litigation.

"The only recourse if this law goes away is that I have to then sue my homeowner... I don't want to sue my neighbor or my friend because they haven't paid me money that is due," Grant said.

But supporters of the legislation told a Florida Senate panel recently, the ban on assignment of benefits is needed to stop abuse.

"Some vendors and some attorneys who work together to extract high payouts or higher

than reasonable payouts from insurance companies with the threat of litigation," a representative with the insurance industry told senators.

Grant says he doesn't believe such abuse is widespread. He follows strict industry standards and belongs to the Florida Association of Restoration Specialists.

He adds that most in the business support regulation to weed out bad contractors, instead of changing the insurance system.

"There's so many reasons to keep the assignment. Let's work on ways to get rid of the bad apples," Grant said.

Another Florida Senate committee is set to consider the legislation tomorrow.

Grant and fellow restoration contractors from across the state plan to be there to voice their opposition.

The legislation is SB 1064 and HB 669.

<http://www.wctv.tv/home/headlines/Florida-Contractors-Fight-Insurance-Change-299765241.html>