

Sun Sentinel—Opinion

Citizens to policyholders — 'Take it or leave it' |

“Your home is your castle.” Few of us would permit a stranger to come into our homes and choose what kind of roof, floor tile, or carpeting we’ll have in our homes. Most people don’t realize that if your home is damaged in a fire, flood, hurricane or water loss, your insurance company may turn into that pushy stranger. What’s worse, if you don’t agree to let the pushy stranger make these decisions about your home, your insurer won’t pay to fully repair the damage.

If that seems unfair, it’s because it is. The Florida Association of Public Insurance Adjusters recognizes it would be a conflict of interest for public adjusters to act as both the contractor and adjuster on the same claim. Insurers must recognize it is a conflict of interest for their contractors to decide the scope of damages and repairs on an insurance claim. The contractors would feel obligated to please the insurance company that chose them, not the homeowners whose houses they’re working on

Citizens Property Insurance Board of Governors is asking the Florida Office of Insurance Regulation (OIR) to approve language placing an unrealistically low \$10,000 limit on all non-weather-related water losses unless the insured submits to Citizens’ “voluntary” managed repair program. Citizens is essentially telling their policyholders:

*Call Citizens first

*Don’t speak with anyone else

*Use our contractors only — they know what we want them to do

*Do this or else we won’t pay you the total amount of your loss

Steve Bitar, of Citizens Underwriting Department, was quoted as saying “We don’t want to take coverage away, so all customers will have the option to elect the managed repair program.” But Citizens is indeed taking coverage away from anyone who doesn’t want a stranger making all the decisions about repairs to their home.

Citizens states that abuses by some contractors using Assignment of Benefits (AOB) required them to take these extreme measures. But many stakeholders have come together and agreed on solutions that would go a long way toward thwarting AOB abuse. If the insurance industry had agreed with these common-sense fixes rather than focusing on trying to add anti-consumer language to proposed AOB legislation, this problem would have been solved years ago and we wouldn’t be having to fight this bad decision by Citizens Property Insurance.

Traditionally, insurance policies have contained an “option to repair” clause but it was rarely invoked. Today, the process has been re-branded as managed repair and is touted by some insurers as a cost saving measure for policyholders. They do reduce payouts, but it’s because they underestimate the amount of damage, skimp on the quality of materials and repairs, and frequently don’t pull permits and/or use unlicensed and/or uninsured contractors or subcontractors.

Managed repair programs are a bad idea, but more importantly, they are clearly a conflict of interest. Citizens should not be saying “take it or leave it” to their policyholders when the policyholders most need help from their insurer.

Don Phillips, president of the Florida Association of Public Insurance Adjusters, has over 40 years of experience as an insurance claim professional. Phillips has served as a licensed public adjuster for 16 years and before that, worked as a staff claims manager and then an owner of a regional adjusting company.

Copyright © 2017, [Sun Sentinel](#)