

Naples News

<https://www.naplesnews.com/story/opinion/2018/06/15/assignment-benefits-florida-hurricane-damage-insurance-company/693848002/>

Commentary: Beware of abuse of your insurance policy this hurricane season

By Mark Wilson, Chief executive/ Florida Chamber of Commerce Published 4:05 p.m. ET June 15, 2018



Florida's hurricane season is here again, putting Floridians at risk of damage to their homes and property.

Residents took advantage of the recent sales tax holiday to stock up on hurricane supplies, but they also should be on the alert for insurance policy abuse and scams, and not become one of the thousands of victims of what the Wall Street Journal calls "Florida's trial bar hurricane."

Hurricanes and storms can cause major hardship and aggravation for consumers, but for those who sign away their insurance rights, that hardship often turns into nightmares. I've seen the misery it can cause first hand.

As a public service to all Floridians, please stop and read before you sign your name on any paperwork. Call your insurance agent first. If a repair contractor says something that sounds too good to be true, it likely is.

Too many repair contractors use a scheme called Assignment of Benefits (AOB) to make it sound as if they'll take care of everything for you. What they won't tell you is that by signing your rights away, you'll transfer all your insurance benefits to the repair contractor — cutting you out of the discussions between the contractor and your insurer.

Unfortunately, when that happens, more often than not, unscrupulous repair contractors team up with trial lawyers for their own financial gain. They inflate the cost and scope of repair work, then sue your insurance company — and add your name to the lawsuit — without you even knowing they've done so.

In the meantime, you're often left with a home still in shambles — an unrepaired roof, a non-functioning kitchen, and sometimes, a house that has been stripped to the studs. The horror stories are real; they've been exposed on local news channels throughout Florida, and even the Wall Street Journal has on numerous times exposed this scheme for what it is — fraud.

AOB abuse was virtually nonexistent 15 years ago, but has spiraled into a statewide crisis costing consumers. AOB-related property insurance lawsuits in Florida skyrocketed from 405 in 2006 to 28,200 in 2016, according to the state's Department of Financial Services. What initially was thought to be a South Florida problem has spread across the state, putting the dream of owning a home out of reach for many Floridians and impacting the accessibility of affordable insurance.

The Consumer Protection Coalition, led by the Florida Chamber of Commerce, is leading the charge and encouraging lawmakers to take action. The Florida House of Representatives has been a strong advocate for enacting reforms. The Florida Senate has yet to put homeowners ahead of scammers. That may change with new leaders in charge.

Evidence is mounting that something must be done to curb the abuse — and quickly. The Florida Office of Insurance Regulation estimates that, unless AOB laws are changed, owners of a \$150,000 home can expect their insurance premiums to increase an average of 29 percent by 2022. For some people, that could make the difference between owning a home and not.

It's disappointing that Florida must endure another hurricane season without AOB reform. Forecasters have predicted major storms again this year, and Florida already had its first storm with Alberto over Memorial Day weekend. Now more than ever, it's vital that consumers be on the lookout for AOB abuse. Don't become another victim. Call your insurance agent before signing anything.

In the meantime, use this election season to your advantage. Ask the candidate where they stand on protecting consumers from this abusive tactic that's become a huge payday for a cottage industry of trial lawyers.

After all, hardworking Floridians shouldn't have to endure another season without real AOB reforms.

Mark Wilson is the president and chief executive officer of the Florida Chamber of Commerce