

# Looting by Lawsuit: WSJ Asks the Florida Senate to Come to Its Senses

By

[Nancy Smith](#)

January 24, 2018 - 6:00am

As it did last year, the Wall Street Journal this week [lashed out](#) at Florida senators -- particularly Insurance and Banking Chair Anitere Flores, R-Miami -- who oppose reform-minded Republicans "trying to shut down a trial-bar scheme that's bleeding property insurers and sending Sunshine State premiums skyrocketing."

The scheme is, of course, assignment of benefit (AOB) abuse -- for six straight legislative sessions one of the hottest issues on the Florida insurance agenda.

AOB is a practice whereby lawyers and contractors convince homeowners to sign over their right to sue insurers for certain kinds of home damage -- water and roofing, for example. Insurers typically settle these claims to avoid protracted and expensive court battles, and thanks to Florida law, they're on the hook for attorneys' fees, too.

AOB has become [the leading cash driver](#) in Florida's property and casualty insurance market.

Evidence of abuse is overwhelming in the Sunshine State. More than 28,000 AOB lawsuits were filed in 2016, up from 405 a decade earlier. What that does is raise costs for both insurers and the insured.

Why Republicans not named Anitere Flores aren't able to do something about it in spite of the Insurance Committee chair clearly blows Journal editors' minds.

"Florida's House of Representatives passed the measure this month 82-20, which shows that at least some Republicans will fight the jackpot-justice lobby," the Journal said in its stinging Monday editorial. Panama City Republican Jay Trumbull's bill would change how court damages are calculated and reduce the incentive to file frivolous AOB lawsuits.

Consider this: State regulators estimate residents in Miami-Dade County (where Flores lives) insuring a \$150,000 home could see premiums rise more than 40 percent by 2022, "thanks to this man-made litigation flood."

Last year Flores (a lawyer), with fellow Republican and Senate President Joe Negron (another lawyer) backing her up, refused to allow a Dorothy Hukill-Kathleen Passidomo reform bill onto her committee's agenda.

That literally killed AOB reform for the legislative session.

When the Journal tried to ask for further explanation, Flores never returned the paper's phone calls. No wonder, says the editorial: "She placed two bills on her committee's agenda sponsored by Democrat Gary Farmer, who used to run Florida's trial-bar lobby."

Read the Journal's April 1, 2017 editorial, ["Category 5 Flores."](#)

This year's WSJ editorial is because Flores is "doing it again."

Brushing aside real reform legislation, she "has been happy to consider a bill by Sarasota's Greg Steube that would forbid insurance companies from including litigation costs in rates and limit their ability to deny claims because of fraud. AOB fraud would skyrocket.

Ms. Flores said this month that Mr. Steube's measure 'is not a bill the insurance industry loves,' but the issue is whether they can operate profitably in the state."

Journal editors, who coined the phrase "looting by lawsuit," fear for our state -- for which they have the thanks of many. Low taxes or not, Florida will never be the move-to mecca it could be while lawyers in the Legislature who should know better coddle a protection racket.

Reach Nancy Smith at [nsmith@sunshinestatenews.com](mailto:nsmith@sunshinestatenews.com) or at 228-282-2423. Twitter: @NancyLBSmith

**##end##**