

# Insurance industry spreading falsehoods: Guestview

Dave DeBlander, Guest columnist Published 2:06 p.m. CT June 19, 2018



(Photo Submitted)

The following points are in response to an article published June 17 in the Pensacola News Journal by the Florida Chamber of Commerce President Mark Wilson. He attempts to make the case that bad restoration contractors are causing a huge uptick in insurance lawsuits, harming the consumer and causing rates to increase. The truth of the matter is that the Florida Chamber of Commerce is heavily funded by the insurance industry and is their lapdog on this issue, happily spreading their falsehoods in order that they can take care of each other's pocketbooks.

Mr. Wilson and his friends in the insurance industry make the following claim, and my response is another view in this David versus Goliath battle. If you think the insurance industry is run by nearly angelic beings always looking out for you, you don't need to read the following.

1. The Assignment of Benefits (AOB) takes away the rights of the policyholder. Nothing could be further from the truth than this falsehood. When a policyholder signs an AOB agreement they allow the contractor to work on their behalf. Now the contractor can directly discuss with the insurance company why they put in so many

dehumidifiers, air movers, etc. and explain their bill. The homeowner is not capable of discussing such things.

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Also, and here is the biggest, huge benefit...if the insurance company slow pays, no pays, short pays, the contractor can take the insurance company to court instead of the homeowner!

For example, if the water damage remediators bill is \$2,500 (the average size bill) and the insurance company pays only \$1,000, with an AOB the water damage contractor can take the insurance company to court for the \$1,500 difference. Without an AOB, the contractor would have to take the policyholder to court, even though the policyholder's only "crime" was paying their premium regularly for years and years.

The unfortunate truth in this matter is that there are many bad insurance carriers that regularly don't pay what they should. The AOB is a huge benefit for the policyholder and not a liability whatsoever. The AOB enhances the consumers' rights!

2. Bad restoration companies are the reason lawsuits have risen from 405 in 2005 to 28,000 in 2016. Actually, this may be further from the truth than the assertion that AOB's harm the policyholder.

Around 2005, the word got out that water damage contractors did not have to settle for the low, slow and no payment tactics of the bad insurance carriers. Up until that time, most contractors were not aware the AOB could be used to fight these unscrupulous insurance carriers. Over the years our industry has spread the word that when carriers offer you far less for the hard work you did, with an AOB we could take the insurance carrier to court and not the homeowner.

We contend the dramatic increase from 405 lawsuits to 28,000 is the direct result of our industry fighting the bad insurance carriers, of which there are many. Additionally, these bad carriers harm the good ones because they charge lower rates, taking away clients from the good carriers. The insurance lobby is huge with up to 200 lobbyists and millions of dollars of campaign contributions to get the ear of the legislators. Our industry has two lobbyists and not much money at all for campaign contributions but our fight continues to have success because we have the truth on our side.

*Dave DeBlander is a restoration contractor and owner of Pro Clean Restoration and Cleaning in Pensacola. His company has won the Better Business Bureau "Marketplace Ethics Award" three times in 2009, 2012 and 2015. Mr. DeBlander is also a board member of the Better Business Bureau and the Restoration Association of Florida.*

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