

CFO Jimmy Patronis: Citizens Rate Hike a Sad Result of Deceptive AOB Practice

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TALLAHASSEE, Fla.—Florida Chief Financial Officer (CFO) Jimmy Patronis released the following statement regarding the vote by the Citizens Property Insurance Corporation Board of Governors to increase rates by an average of 8.3 percent statewide. CFO Patronis has two appointees on the Board and appoints the Chair.

“It’s concerning that Citizens was unable to find solutions to address nonweather water losses and increased litigation as requested of them in June. These two factors are the major cost drivers increasing insurance rates in our state across the entire industry. Out of the lawsuits Citizens is involved in, 36 percent are related to assignment of benefits. Abuse of assignment of benefits has become a deceptive practice, aimed to lure consumers into a false sense of security.

“While I look forward to seeing if Citizens’ managed repair program actually helps this multi-faceted problem, it’s clear that these rate drivers need a more surgical approach. Blanket solutions won’t fix increasing insurance rates for Florida families. It’s important that Floridians are protected from the bad actors who prey on vulnerable situations and try very hard to pry money from your pocket.

“We need to bring everyone to the table—that includes insurers, attorneys, contractors, and state leaders—to find the best solutions to addressing this mounting problem.”