

# Florida Supreme Court pulls out from insurance dispute

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Jul 29, 2019 | 1:22 PM

TALLAHASSEE — Pointing to a law passed this spring, a divided Florida Supreme Court on Monday scrapped plans to take up a closely watched case about the controversial insurance practice known as assignment of benefits.

Justices, in a 4-3 ruling, reversed course on a December decision and said they would not hear a case that stemmed from water damage to a St. Lucie County home.

“Because we conclude that the new legislation addresses on a going-forward basis the issue before us, we exercise our discretion to discharge jurisdiction,” said the ruling, with the majority made up by Chief Justice Charles Canady and justices Ricky Polston, Jorge Labarga and Alan Lawson. “Accordingly, we hereby discharge jurisdiction and dismiss this review proceeding.”

The court’s three newest justices, Barbara Lagoa, Robert Luck and Carlos Muniz, dissented. All three were appointed early this year by DeSantis.

Assignment of benefits, or AOB, has been a highly controversial issue in recent years. Under assignment of benefits, property owners in need of repairs sign over benefits to contractors, who ultimately pursue payments from insurance companies.

The controversy has largely focused on water-damage claims to homes, particularly in South Florida. Insurers contended that the AOB system became riddled with fraud and excessive litigation, while plaintiffs’ attorneys and other groups argued that assignment of benefits helps make sure claims are paid properly.

After years of debate, the Legislature this spring passed a bill that revamps the AOB system, including limiting attorney fees in AOB lawsuits filed by contractors against insurers. Also, the bill will let insurers offer policies that restrict or do not allow assignment of benefits.

In deciding to back away from hearing the St. Lucie County case, the Supreme Court majority Monday cited part of the new law that “among other things permits an insurer to ‘make available a policy that restricts in whole or part an insured’s right to execute an assignment agreement’ if certain conditions are met,” [the ruling said](#).

The St. Lucie County case dealt with a restriction that had been included in a policy sold by Ark Royal Insurance Co. to policyholders John and Liza Squitieri.

After the couple sustained water damage to their home, Liza Squitieri contracted with Restoration 1 of Port St. Lucie to do cleanup work and assigned the benefits to the firm, according to court documents.

Ark Royal, however, refused to pay the full amount requested by the restoration firm, pointing to an insurance contract that required approval from the husband, wife and the Squitieris' mortgage company, PNC Bank, for benefits to be assigned to the contractor. Restoration 1 sued the insurer for breach of contract but lost in circuit court and the 4th District Court of Appeal.

The case then went to the Supreme Court, which announced in December it would take up the dispute. By reversing course Monday, the Supreme Court effectively let stand the 4th District Court of Appeal ruling.

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