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Personal Insurance Federation of Florida Applauds Efforts of Consumer Protection Coalition to Fight AOB Abuse

TALLAHASSEE, Fla. Jan. 12, 2016 – The Personal Insurance Federation of Florida (PIFF) today applauded the formation of the Consumer Protection Coalition to push for reforms to end rampant Assignment of Benefits abuse.

The Consumer Protection Coalition is a broad-based group of business leaders, consumer advocates, real estate agents, construction contractors, insurance agents and insurance trade groups dedicated to protecting consumers from a cottage industry of unscrupulous home repair vendors and trial attorneys who are taking advantage of Assignment of Benefits (AOB) to boost their profits.

“We have been hard at work on this issue for three years and believe that the creation of this broad-based coalition can be a game changer in passing important AOB reforms this legislative session,” said Michael Carlson, executive director of PIFF. “The widespread support from consumer groups, business leaders and construction contractors shows that AOB abuse is a serious concern statewide and must be acted upon quickly.”

PIFF, whose insurance company members write more than 20 percent of all homeowner policies in Florida, has been a leader in advocating for AOB reform. While it recognizes the usefulness of AOB in processing insurance claims quickly, PIFF believes AOB abuse harms consumers by taking away their ability to control their own policies and work directly with their insurance provider.

“We applaud the Florida Chamber of Commerce for taking the lead on this effort and recognizing that this is a problem that affects not just insurance companies, but all families and businesses in Florida,” Carlson said. “Consumers shouldn’t have to pay for the bad behavior of a few who use AOB to inflate the cost of repair work and file costly lawsuits against insurers.”

Abuse of AOB has led to an explosion of lawsuits against insurers, especially for non-weather-related water damage claims. The problem is especially severe in South Florida, where Citizens Property Insurance Corp. recently had to raise insurance premiums because of the large increase in lawsuits involving an AOB.

PIFF supports legislation by state Sen. Dorothy Hukill (SB 596) and Rep. Matt Caldwell (HB 1097) to address AOB abuse. PIFF also urges Floridians to visit the Consumer Protection Coalition at <http://www.fightfraud.today> and sign the petition supporting the passage of AOB reforms.

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