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“SUPPORT” Assignment of Benefits “AOB” Reform

Protect Your Rights - Assignment of Benefits (AOB) abuse is a costly scheme that hurts consumer’s pocketbook. While AOB is a legal tool that **CAN** be used appropriately, it also provides an opportunity for fraud that in turn drastically inflates consumers home repair costs. This practice encourages the homeowner to sign over the benefits of their insurance policies so that the costs can be run up and overbilled. This increase in costs (and attorneys' fees) leads to an increase in premiums for which consumers are left on the hook. This epidemic is causing drastic insurance availability and affordability problems.

We need to SUPPORT efforts to address these issues at a minimum:

- Define an assignment agreement as a written instrument that assigns post-loss benefits of a residential property insurance policy to a contractor, water remediation company, or other vendor who performs either emergency or non-emergency repairs on the covered property.
- Establish requirements related to the execution, validity, and effect of an assignment. The assignment must be executed in writing by a named insured and the assignee; allow the policyholder to rescind without penalty; require the vendor to provide the insurance company with a copy after it is executed or work has begun; include a written, itemized, per-unit cost estimate of services and, if the estimate includes water restoration services, provide proof that the vendor is certified by an entity that requires services to be performed according to a nationally-recognized standard; relate only to the work to be performed by the vendor; and contain notice of the right to rescind the agreement and that, by executing the AOB, the policyholder is giving up certain rights that could result in litigation by the vendor against the insurance company.
- Establish requirements to enforce an assignment of benefits. Vendors are required to give insurance companies notice before filing suit on a claim, but may not serve such notice before the insurance company has made a determination of coverage according to the timeframes allowed by current law. The notice must specify the damages in dispute, amount claimed, and any pre-suit settlement demand and include an itemized bill. The insurance company must respond in writing within so many days by making a settlement offer or requiring the vendor to participate in alternative dispute resolution as allowed under the policy. If the vendor and insurance company fail to settle and litigation results, provide the exclusive means for either party to recover attorney fees.

SB 62 Assignment of Property Insurance Benefits by Senator Hukill

HB 7015 Property Insurance Assignment Agreements by Representative Trumbull and Judiciary Committee

“SUPPORT” Workers Compensation Reform

Florida courts have recently found multiple parts of the workers’ compensation law unconstitutional in the areas of carrier paid injured worker attorney fees, time limits on temporary wage replacement benefits (i.e., indemnity), and the right of an injured worker to pay for their own attorney. The Office of Insurance Regulation (OIR) ordered a rate increase of 14.5 percent effective December 1, 2016. OIR has also ordered a 9.5 percent decrease in rates, effective January 1, 2018, that is unrelated to the 14.5 percent increase. The prior increase remains in the base rates despite the decrease.

We need to SUPPORT efforts to address these issues at a minimum:

- Employees are free to retain their own attorneys;
- The Workers' Compensation Act will remain intact, expediting resolution of outstanding cases/issues to avoid costly and prolonged litigation process;
- Injured workers will be attended to by the appropriate medical providers quicker based on mandatory state oversight;
- Unnecessary litigation will be avoided; and
- Personal information of injured workers would not be publicized.

HB 7009 Workers' Compensation by Representative Burgess and Commerce Committee



“SUPPORT” Commercial Residential Export Eligibility Reform

First, the Diligent Effort process is antiquated and counterproductive. The only commercial lines policy that still requires a Diligent Effort Form is Commercial Residential and it's been seen that the form has been abused by some agents who use prefilled forms. Replacing the DEF with an Acknowledgement of Surplus Lines placement form signed by the insured; a similar form is used today for the other Commercial lines policies. Also, we feel that the consumer should be provided with all insurance options available by their agent. Currently, if an insured has coverage through an admitted carrier, their agent can shop the insurance for them but cannot offer them coverage offered by the surplus lines carriers. In some cases, the financial stability of the surplus lines carrier is better and might offer a broader policy and even more affordable premiums. A competing agent can offer the surplus lines coverage if they can prove that they don't have an admitted market to offer. **Consequently, the trusted insurance advisor can't offer all available options to their client. Therefore there isn't any transparency or real choices for the consumer.**



“SUPPORT” Insurer Multi-Line “Citizens Re-Population” Incentive Reform

A 17% companion auto policy discount is being provided to an active Citizens homeowners' policy by carriers. This practice is hindering the depopulation process in Citizens and undermining the efforts of the Take-out carriers. State statute also recognizes that only commonly owned/related carriers are allowed to offer companion policy or multi-policy discounts. This current practice obligates (or encourages) the consumer whether they like it or not to remain with the insurer and Citizens in order to continue with the companion auto policy discount. The LAAIA discourages this practice due to it impeding with the overall objective of the depopulation program in Citizens.

Personal Injury Protection Insurance “PIP” Reform

We support reform that would make automobile insurance premiums affordable for all consumers. Historically, financially constrained individuals are the ones that carry only PIP, and are the ones that are drastically affected by the rate increases as a result of the rampant fraud within the system. Some say eliminate PIP and replace it with mandatory Bodily Injury. A few think we should have a managed care option under PIP or if you eliminate PIP and replace it with BI adding medical pay. We feel **adding medical pay is a bad idea**. Our overall concern is to make sure that the financially constrained individuals that purchase this coverage can afford it!

HB 19 Motor Vehicle Insurance by Representative Grall

SB 150 Motor Vehicle Insurance by Senator Lee

We do not support the medical pay provisions contained in this bill.