

Floridians need all the facts on insurance claims | Opinion

Opinion Editorial by Richie Kidwell
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In response to the Jan. 22 editorial, “Put the brakes on suspect claims,” we agree that lawmakers should look at the truly bad actors, but do not agree that this starts with the closure of the assignment of benefits.

First, lawmakers need to get the numbers right by looking at the whole picture when discussing the assignment of benefits (AOB) and attorney fee reform. That is why the Restoration Association of Florida recently submitted a public records request to Citizens Property Insurance Corporation for its official claims data to secure a broader picture of its claims handling practices.

The Restoration Association exists to protect the rights of homeowners and independent contractors specializing in water, fire and mold restoration. Our goal is to advocate for our members, to build a strong network of professionally trained restoration companies, and to educate homeowners regarding AOBs and their ability to hire an independent contractor of their choice.

Citizens Property is the leading voice against AOBs, providing incomplete data showing an increased number of lawsuits for claims with an AOB. Surprisingly, Citizens Property is maintaining that it cannot determine how much of said money is being spent on AOB lawsuits and attorney fees when it loses in litigation. Our request specifically asks Citizens Property to provide a comparison for the number of claims that it is sued for, and how much is paid to attorney’s fees when Citizens is found to have wrongfully denied or underpaid claims.

It is our experience that homeowner claims are significantly underpaid on a regular basis, which causes the increase in these lawsuits. We heard first-hand from homeowners affected by Hurricane Michael at a January town hall meeting in Panama City when even claims without an AOB are systematically underpaid, which is leading to increased litigation.

We know this small sample is emblematic of a much larger problem, which is why we need a complete set of data before making any far-reaching policy decisions that will impact homeowners and small businesses throughout the state.

The Florida Legislature should be given the opportunity to review the claims data, so lawmakers may clearly understand the property insurance carriers are to blame for much of the increased litigation. Sen.

Doug Broxson, a Republican from Gulf Breeze who works in real estate and insurance sales, has already filed Senate Bill 122 that would make changes to the way AOB claims and attorney fees are handled. This is yet another reason why securing a full representation of the Citizens Property data is so important. How can the Legislature make changes without seeing the whole picture?

Poor claims handling practices such as underpaying and delayed payments should not be used as justification to raise insurance rates for homeowners.

Restoration contractors and homeowners would not be winning lawsuits if their claims were inflated or illegitimate. In fact, restoration contractors are required to provide documentation and evidence with each claim submitted. Furthermore, restoration professionals use a pricing program that the insurance industry itself developed.

We have a strong feeling the Citizens Property data released through our public records request will show a clear and consistent pattern of insurance carriers underpaying legitimate claims, getting sued, losing and then having to make massive payouts in attorney fees. Citizens CEO stated in a 2017 Florida Senate Banking and Insurance Committee meeting that it paid \$56 million for its own legal fees in 2016. Insurance companies could save themselves — and taxpayers — millions of dollars by simply paying claims submitted in a timely manner.

At the end of the day, the taxpayers of Florida who subsidize Citizens Property deserve to know the truth. If insurance companies improved their claims handling practices, litigation would decrease significantly, and we believe the data being requested will prove that very clearly.

The Restoration Association of Florida strongly encourages the Florida Legislature and Office of Insurance Regulation to join us in seeking complete and comprehensive data before making sweeping changes that will only serve to benefit insurance companies that are already taking advantage of homeowners and small businesses.

Richie Kidwell is the president of the Restoration Association of Florida (www.RAFlorida.org) and Air Quality Assessors of Florida, a restoration company specializing in mold inspections, allergen testing and moisture evaluations for both residential and commercial customers.

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