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Consumer Protection Coalition Hits Airwaves Warning Floridians of Growing AOB Scheme

TALLAHASSEE, Fla. (Feb. 22, 2018) – The Consumer Protection Coalition today hit the airwaves with a radio spot aimed at warning Floridians on the fast-growing Assignment of Benefits (AOB) scheme that is hurting Florida home and auto owners and impacting insurance rates.

“On the heels of the Florida Justice Reform Institute releasing a new report showcasing the need for AOB reform, the Consumer Protection Coalition felt it was important to alert Florida home and auto owners on how the AOB scheme works and why it is important for them to engage in asking Florida lawmakers to support meaningful AOB reform,” said Edie Ousley, vice president of public affairs for the Florida Chamber of Commerce, which spearheads the Consumer Protection Coalition.

According to the FJRI report, “AOB litigation reform is necessary to prevent trial lawyers and vendors from stripping rights away from policyholders and inflating premiums for Florida’s consumers.”

“Through this radio spot, we hope to provide some clarity on what goes on behind the scenes once an AOB has been taken over by an unscrupulous lawyer or vendor and they have control of your insurance benefits,” said Logan McFaddin, Property Casualty Insurers Association of America regional manager. “Often without the policyholder’s knowledge, they will inflate the claim and file a lawsuit, driving higher insurance costs and making it more expensive to own a vehicle or a home. Unless something is done to curb this scheme, Florida consumers will continue to lose.”

The *Tampa Bay Times* recently reported, “a surge in auto glass claims filed against insurers isn’t going away – it’s getting worse.” The paper also pointed out that according to the FJRI, in 2017, there was a 22 percent increase in such lawsuits against insurance providers. A jump from 19,558 in 2016 to 23,949 in 2017.

Professional Insurance Agents of Florida

Steve Burgess, Former State Insurance
Consumer Advocate

“Safelite supports legislation prohibiting individuals from preying on unsuspecting consumers, while profiting off their automobile insurance policies,” said Scot Zajic, Safelite’s vice president of legislative affairs. “The number of AOB lawsuits increased in 2017, proving that this important work needs to continue in order to best protect customers.”

The FJRI report also points out “unquestionably, the cause of the AOB explosion is the no-risk proposition of attorney’s fees, enabled by Florida’s one-way attorney fee law and court cases that have extended it past its policyholder intent.”

In fact, once virtually nonexistent, since 2010, total AOB lawsuits have grown from about 25,000 to more than 100,000 – an increase of nearly 300 percent, according to the FJRI.

“The rise in AOB abuse that is continuing to spread into various lines of business is alarming. We’re seeing all sorts of claims with an AOB attached increase,” Ousley said. “According to the Florida Office of Insurance Regulation, claims with an AOB attached were generally at least 85 percent higher than claims without an AOB. While AOB authorization was originally designed to help ease the claims process, it is clear reform is needed to curtail this abusive practice that is spreading across Florida, harming Florida homeowners and drivers.”

To listen to the radio spot, please click [here](#) or visit [FightFraud.Today](#).

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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 pushing for reforms to end Assignment of Benefits (AOB) abuse. Learn more about the Coalition at www.FightFraud.Today, follow the Coalition on Twitter [@CPC_FL](#) and “like” our page at [FB.com/consumerprotectioncoalition](https://www.FB.com/consumerprotectioncoalition).