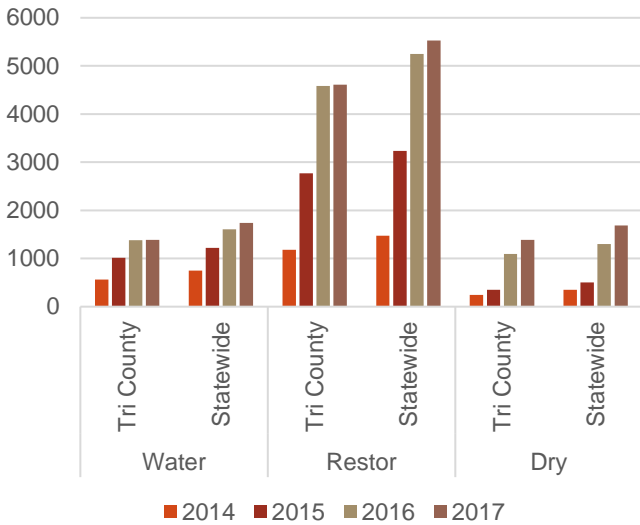

ASSIGNMENT OF BENEFITS

Litigation reform is necessary to prevent trial lawyers and vendors from stripping the

Property Assignee Litigation: Tri County vs. Statewide



insurers, and because every insurer has different claims handling practices, this cannot reasonably be a cause. Second, in researching the development of AOB litigation, there has been no meteorological or other explanation for why pipes are bursting at breakneck speed in Miami or windshields are cracking disproportionately in Tampa Bay. However, the litigation trends do crystallize when one searches AOB lawsuits by attorney² alliances with vendors and proportionate increases in litigation become clear.ⁱⁱⁱ Further, AOB attorneys² in coaching materials and vendor recruitment presentations² specifically UH I H U H Q F H D W W R U Q H \ ¶ V I H H V D V W AOB over other contractual payment arrangements.^{iv}

WHY DOES IT MATTER?

It matters because everyone pays more in insurance premiums to make a handful of lawyers and vendors very, very rich. In its series of reports about the AOB problem, FJRI found that about a dozen attorneys contribute to a quarter of all AOB litigation statewide.^v

The Office of Insurance Regulation estimates that, over a two-and-a-half-year period, water loss severity increased 42.1% per year and frequency increased 44.1%.^{vi} This translates into increased homeowners ¶ insurance rates for everyone,^{vii} particularly for private market policyholders who do not have the luxury of artificially underpriced insurance. For customers of Citizens Property Insurance Corporation, which charges underpriced rates that are subsidized by the ability to assess all Florida insurance policyholders (home, renters, auto, commercial, etc.), the impact is potentially more muted because of the 10% rate cap. This has contributed to a 96.7% rate need for multi-peril personal UH V L G H Q W L D O S R O L F L H V \ H W D O H V V W K D Q U D W H L Q F U H D V

FAQ

AREN'T THESE ASSIGNMENTS OF BENEFITS JUST LIKE ASSIGNING YOUR BENEFITS TO A HEALTH CARE PROVIDER, LIKE A DOCTOR?

No. Anti-assignment clauses are permissible in health insurance. Florida common laws says that public policy favors anti-assignment clauses in health insurance contracts.^{ix} In fact, the First District Court of Appeal recently addressed the differing treatments of anti-assignment clauses in the health and SURSHUW \ L Q V X U D Q F H F R Q W H [W V V D \ L Q J W K D W W K H ³ R Q H H [F H post-ORVV FODLPV L i n s u r a n c e p o l i c i e s t h a t p r o h i b i t i n s u r e d s f r o m u s i n g a n d a s s i g n i n g p o s t - O R V V U L J K W V R U E H Q H I L W V W R K H D O W K F D U S o , S e a r h y n s G e n e r a l R X W prohibit AOBs and discourage policyholders from using out-of-network providers while property and

