

# KNOW YOUR RIGHTS AS A FLORIDA HOMEOWNER

\*IMPORTANT INSURANCE NEWS ABOUT ASSIGNMENT OF BENEFITS CONTRACTS,  
AND WHAT TO DO IN THE EVENT OF A CLAIM\*

On July 1, 2019, new legislation went into effect regarding Assignment of Benefits (AOB), an agreement that, if signed by a homeowner, transfers their insurance policy claims benefits to a third party vendor. Below is information regarding Assignment of Benefits contracts, the new law, and how both affect Florida consumers today.

## What is an Assignment of Benefits (AOB)?

If you have ever had any type of damage to your home, you know it can be a challenging time. In an effort to just get your home back to normal, instead of contacting your insurance company right away to file your claim, you call a vendor to help fix the damage. In some cases, the vendor may hand you an Assignment of Benefits contract to sign.

An Assignment of Benefits contract, commonly referred to as an AOB, allows a third party vendor, such as a roofer or water extraction company, to "stand in the shoes" of you, the insured, and seek direct payment from the insurance company.

## What are the **RISKS** associated with signing an Assignment of Benefits contract?

If the third party vendor and your insurance company dispute the amount of the claim, the vendor could "stand in your shoes" as you, the insured, and sue your insurance company. This would, without your choice, make you party to a lawsuit against your insurance company.

In addition, if the vendor requests more than the insurance company has deemed reasonable for the loss, you may be responsible for these additional costs. The vendor would then have the ability to sue you for the amount owed and, in some cases, place a lien on your home due to nonpayment.

## How does the Assignment of Benefits issue affect Florida as a whole?

From 2004 to 2016, there was a 7,000% increase in Assignment of Benefits lawsuits, driving up costs for Florida homeowners due to unnecessary litigation deriving from AOB claims.

## If I need repairs completed, do I have to sign an Assignment of Benefits contract with a vendor?

No! Contact your insurance company directly to file your claim. They will advise you on next steps.

## WHAT IF I HAVE ALREADY SIGNED AN ASSIGNMENT OF BENEFITS CONTRACT?

### Am I able to get out of an Assignment of Benefits contract if I have already signed one?

If you have signed an Assignment of Benefits contract, under the new law you are able to rescind for three reasons:

- 1) The new law allows for a 14-day rescission period, free of penalty.
- 2) You can rescind after a 30-day period if the contracted work has not been substantially performed.
- 3) You can rescind after a 30-day period if the agreement does not have a commencement date and the contracted vendor has not performed substantial work.



## How do I know if I'm signing an Assignment of Benefits contract?

If a vendor asks you to sign a document prior to beginning work, look for language in the contract that prevents you from communicating with your insurance company about your claim. The language may also say that it gives your vendor the ability to be directly involved with claim payments on your behalf and file a lawsuit against your insurance company, even without your knowledge.

Always be sure to read all documents before signing anything, and contact your insurance company first.

## Where can I get additional information about Assignment of Benefits?

There are a plethora of news articles about Assignment of Benefits contracts and how they have impacted Florida homeowners. Our Assignment of Benefits page has a few of these articles at [www.aiiflorida.com](http://www.aiiflorida.com). You can also go to Google and simply type Assignment of Benefits in the search bar to view several articles.

Here are some great resources as well:

**Florida Office of Insurance Regulation** [www.floir.com](http://www.floir.com)  
<https://www.floir.com/Sections/PandC/AssignmentofBenefits.aspx>

**Florida Department of Financial Services** [www.myfloridacfo.com](http://www.myfloridacfo.com)  
<https://www.myfloridacfo.com/Division/Consumers/AssignmentofBenefits.htm>

**Consumer Protection Coalition** [www.fightfraud.today](http://www.fightfraud.today)  
[www.fightfraud.today/resources](http://www.fightfraud.today/resources)

## What should I do if I need to file a claim?

If you have experienced a loss, contact your insurance company directly to begin the claim process. Take photos of the damage and make temporary repairs, if applicable. Also, save receipts for any repairs, and be sure to keep any damaged items for your claim adjuster to review. Your adjuster will help guide you through each step.

**American Integrity offers 24/7 Claim Reporting:** Call 1-866-277-9871, or file a claim and check the status of your claim online at [AIClaimsPortal.com](http://AIClaimsPortal.com).