WATER DAMAGE:
Signing an AOB contract could put your home in hot water.

Accidents happen. Pipes break and washing machines leak, but stay in control of what you can and don’t sign an Assignment of Benefits (AOB) contract from a water restoration company. You could lose control over your insurance claim, and potentially make your situation worse - and even put your home at risk.

ASSIGNMENT OF BENEFITS (AOB) CONTRACT
What does it mean?

Unscrupulous contractors are pressuring unsuspecting homeowners into signing contracts, often for water damage restoration, with the term Assignment of Benefits (AOB) - words to the effect of “I transfer and assign any and all insurance rights, benefits and causes of action under my property insurance policy to the contractor.”

When you sign this type of contract, you may:

- Give up your rights to your claim under your homeowner’s policy
- Give up your right to any money for your damage to that contractor
- No longer have control or a legal right to your claim

WHAT DO YOU STAND TO LOSE?

If the contractor receives the payment directly from the insurance company, they can take the check and never perform any repair work on your home. Or they could submit an inflated claim to your insurance company, leaving you to cover the difference.

HOW COMMON IS THIS SCAM?

During Florida Chamber of Commerce’s 2015 Insurance Summit, Barry Gilway, President/CEO and Executive Director of Citizens Property Insurance Corporation, presented a breakdown of how every dollar of premium was spent by his organization in 2014:

- More than half of every premium dollar was used to pay non-hurricane claims and adjustment costs.
- Almost one-third of every premium dollar was spent just on water claims.
- More than half of every premium dollar went toward non-hurricane claims, some of which was spent on inflated claims because of Assignment of Benefits (AOB), in which benefits are assigned over to a third party and repairs are made without the insurer’s knowledge.

Be sure to call in your claim to your insurance company right away to help avoid scams like this.