

Press Release

Office and Cabinet Applaud the Passage of HB 7015 by the House of Representatives

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TALLAHASSEE, Fla. – The Florida Office of Insurance Regulation (Office) and Cabinet applaud the actions of the Florida House of Representatives in passing legislation today to specifically address assignment of benefits (AOB) reform. [House Bill 7015](#), which was sponsored by the Judiciary Committee, Representative Jay Trumbull, and Representative James Grant, and co-sponsored by Representative Jim Boyd, provides consumer protections and strengthens provisions in Florida law to reduce unnecessary litigation associated with AOBs that is causing an increase in homeowners insurance costs across the state.

Today, the Office released the “2017 Review of Assignment of Benefits (AOB) Data Call Report,” which provides aggregated results of information received by the top 25 personal residential insurance companies encompassing more than 85% of the Florida market and writing Homeowners and Dwelling Fire policies from January 1, 2015 – June 30, 2017. The findings of this report show a larger progression in the geographic spread, frequency, and average severity of water loss claims across the state; however, this occurred in half the time it took to develop when compared to the nearly six-year analysis of the [February 2016](#) report on this same issue. Since 2015, results indicate the frequency of water claims has risen by 44% with all regions of the state experiencing double-digit increases. Likewise, the average severity of water claims has increased by 18%. The total combined impact of these changes reflect an average 42.1% annual increase in water losses, which is nearly triple the 14.2% average annual increase shown in the previous report.

“I am thankful for the support of the Cabinet, bill sponsors, and all House members who have been working hard to address AOB reform,” said **Insurance Commissioner David Altmaier**. “The results of my Office’s newest report is a clear sign that Florida is seeing an aggressive rise in the number of water loss claims associated with an AOB and this impact is being felt statewide. Without a legislative remedy, this problem will lead to an increase in homeowners insurance premiums and lack of consumer choice as insurers stop writing or renewing policies in areas with high water losses. I look forward to working with the Florida Legislature and other stakeholders on a proactive solution to address this issue in the 2018 Session.”

Governor Rick Scott said, “I appreciate the Florida House for passing meaningful reforms that will help Florida families. I look forward to continue seeing this important issue addressed throughout the legislative session.”

“House Bill 7015 is the multi-layered legislative approach our state needs to address the rapid climb in AOB water loss claims, and I applaud Rep. Jay Trumbull and the Florida House for passing this good bill today,” said **Chief Financial Officer Jimmy Patronis**. “The data paints a bleak picture for Florida’s Insurance market. With skyrocketing homeowners insurance costs, consumers are on the losing end.”

“As Attorney General, consumer protection is one of my top priorities, and I applaud the Office of Insurance Regulation’s efforts to protect policyholders. This legislation aims to protect homeowners who are simply trying to repair their homes after a disaster,” stated **Attorney General Pam Bondi**.

A copy of the report can be accessed [here](#). For additional information, please visit the Office’s “[AOB Resources](#)” webpage.

About the Florida Office of Insurance Regulation

The Florida Office of Insurance Regulation has primary responsibility for regulation, compliance and enforcement of statutes related to the business of insurance and the monitoring of industry markets. For more information about the Office, please visit or follow us on Twitter [@FLOIR_comm](#).