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# Florida Homeowners Insurance ‘Bill of Rights’ Slowed by Fraud Measure

By Gary Fineout | March 31, 2014

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Florida’s chief financial officer went to the Legislature this spring with a simple request: grant additional protections to customers dealing with property insurance companies.

But the push by Jeff Atwater is in serious jeopardy. That’s because insurers, such as State Farm Florida, are only willing to accept the added protections if they come with other changes that could help keep their costs down.

And that’s proving to be a big problem.

The House and Senate are now divided over the issue and are advancing very different versions of the bill. It’s a sign that nearly halfway through the Legislature’s 60-day session that the bill could easily die.

“I really hope some important consumer stuff is not lost in the fight,” Atwater said.

Atwater says he’s pushing the bill in reaction to thousands of calls his offices receive from consumers confused about how to file a claim when their home is damaged by a storm or a fire. Atwater oversees the state’s insurance consumer advocate office.

The bill would create a “homeowner claims bill of rights” that requires insurers to spell out to homeowners what they can expect when they file a claim.

The legislation also would prohibit insurance companies from using credit information to deny a claim or cancel a policy if the policy has been in effect for more than 90 days. This provision came out of a dispute between regulators and one of Florida’s largest insurance companies.

Atwater said that the Legislature has given consumers specific rights over the years, “but consumers don’t have a bookshelf at home with these statutes. They are not conversant in this.”

But some insurers want a separate provision that would place limits on when a homeowner can sign over to a contractor the right to collect payments directly from an insurance company. They contend that this is a looming problem and that some companies hired to fix roofs and repair water damage have inflated the costs. Without the change the fear it is could drive up homeowner insurance rates once again.

Atwater initially backed this provision and said there are places where it is being abused. But the provision

has drawn opposition from contractors and earlier this month a Senate panel voted to strip it out of the bill (SB 708).

Sen. Joe Negron, R-Stuart, said at the time he couldn't understand why the provision dealing with "assignment of benefits" couldn't stand or fall on its own in a separate bill.

But Mark Delegal, a lobbyist for State Farm Florida, told legislators that his company would likely oppose the bill without this provision. He said that the other provisions — including the "homeowner claims bill of rights" — would drive up costs for insurers and the initial bill was a "nice balanced package."

The House, however, is advancing a bill that includes the assignment clause sought by insurers.

Rep. Bryan Nelson, R-Apopka and chairman of the House Insurance and Banking subcommittee, said he won't support the bill unless that provision remains.

"That's the biggest problem we have, the fraud we have going on," Nelson said.

Sen. David Simmons, R-Altamonte Springs and chairman of the Senate Banking and Insurance Committee, contended legislators will try to work out some sort of compromise before the session wraps up in early May.

"I think it's premature to take the position that any provision is dead," Simmons said.