



Florida Association of Public Insurance Adjusters

DID YOU KNOW?

SB 408 Puts Citizens Policyholders at a Disadvantage

Senate Bill 408, passed at the end of the 2011 Legislative Session and now in full effect statewide, practically eliminates a valuable consumer protection for Citizens policyholders – many of whom reside in the district you represent.

The Florida Association of Public Insurance Adjusters, committed to policies that protect consumers, was a key supporter of the language in SB 408 as it pertains to public adjusters because we believe it improves the professionalism of our industry. We share lawmakers' desire to stabilize the Florida insurance market and drive down property insurance rates. But last-minute changes to SB 408 are, effectively, discriminatory and harmful to Citizens Insurance's 1.5 million policyholders.



As the 2012 Legislative Session begins, a re-examination of SB 408's discriminatory provisions is warranted. Here's why:

- Under SB 408, the 1.5 million policyholders in Florida who rely in Citizens Property Insurance as the insurer of last resort are being treated differently than every other insured property owner in the State.
- Language in SB 408 effectively prevents Citizens policyholders from receiving fair and unbiased claims assistance immediately after a hurricane or other property-damaging event.
 - The bill makes it illegal for a policy holder to pay for professional representation from a licensed public adjuster for the initial part of a claim. The bill further restricts how much a policy holder can pay for public adjuster representation after the initial offer, making it economically unfeasible for public adjusters to take on Citizens policy holder claims.
 - Restricts the homeowner's ability to hire a qualified licensed public adjuster due to the fee limitation within the bill.
 - Compensation limitations created by the bill prevent public adjusters from assisting policyholders in a cost-effective manner.
- The more than 500 Public Adjusters who are members of FAPIA are no different from small business owners in your district and throughout Florida.
 - They need to be compensated for their work and time.
 - SB 408 undercuts their ability to charge for the work they do on behalf of Citizens policyholders.
- In requiring Citizens policyholders to first get a damage claims assessment from Citizens, SB 408 discourages these consumers from contacting a Public Adjuster in the critical 48-hour window after the damaging event.
 - Unlike a Citizens adjuster aiming to keep costs low, the Public Adjuster is working to help the



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policyholder get their fair claims payment. So immediately after disaster strikes, the Public Adjuster serves as a consumer advocate in the following ways:

- Provides immediate claims handling assistance to the insured.
 - Provides immediate direction as to what to do and what happens next.
 - Helps the policyholder fulfill all obligations placed upon them by the insurance policy conditions entitled, "Duties in the Event of Loss".
 - Provides direction concerning reasonable and necessary mitigation efforts.
 - Provides direction to preserve evidence.
 - Photos the scene to capture much of the damage and preserve critical evidence moments after the loss.
 - Suggests the preservation of valuables that are in the structure.
 - Prevents the wasteful spending of unreasonable mitigation money.
 - Provides direction as to new temporary living arrangements.
 - Advises against the premature hiring of contractors until damages, job specifications, and cost of the job, are known, agreed to, and paid for by the carrier.
- These harmful provisions in SB 408 were fueled by false allegations from private insurers and their lobbyists, who blame public adjusters for the state's rising insurance rates and expansion of last-resort Citizens. Yet the state's own Office of Program Policy and Government Accountability office (OPPAGA) concluded otherwise in January 2010, finding:
 - Florida's Public Adjuster laws are comparable to and in some cases more restrictive than those of other similar states.
 - Analysis of Citizens Property Insurance Corporation claims data found that property owners received higher payments when claimants used public adjusters for claims filed in 2008 and 2009.
 - Complaints and regulatory actions against Florida's public adjusters are relatively low.

**CONSUMERS DESERVE BETTER. They need your help
in fixing the discriminatory provisions in SB 408.**

