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January 16, 2018

The Honorable Anitere Flores  
Florida Senate  
404 South Monroe Street  
404 Senate Office Building  
Tallahassee, FL 32399-1100

**RE: Oppose SB 1168: Assignment of Benefits  
When the 2018 Florida Chamber Business Agenda Wins, Florida Wins**

Dear Senator Flores:

The Florida Chamber of Commerce urges you to **oppose SB 1168**, related to assignment of benefits. This bill, proposed by Senator Greg Steube, will be heard today, January 16, 2018 in the Senate Banking and Insurance Committee.

Florida has among the highest property insurance rates in the country. This rate problem is driven, in part, by an issue known as assignment of benefits, which allows businesses to sue other businesses under their homeowner's insurance policy. The result has been overinflated claims, increased litigation, and frustrated consumers who unknowingly signed their insurance policy over to a third party.

Unfortunately, this bill doesn't fix the AOB problem, and may even result in a step backward. SB 1168 fails to comprehensively address attorney fees, which incentivize the use of AOB forms and increase litigation. "Offer of settlement" is a problematic process that has often been further challenged in the court system. SB 1168 also contains a provision where attorney fees would not be allowed to be included in rates, which could create solvency concerns over time. Finally, and most importantly, the bill fails to fully protect consumers from unscrupulous contractors that are taking advantage of consumers through misuse of AOBs.

This bill is opposed by Florida's business community because it:

- Fails to comprehensively address attorney fees, which should be available to the homeowner but not to unscrupulous contractors in a business to business lawsuit;
- Strengthens the use of AOBs and fails to protect homeowners from their misuse; and
- Will not reduce rates, which are increasing due to the exponential increase in AOB lawsuits. Over the last ten years, the number of AOB lawsuits have risen from 405 to 28,183.

The Florida Chamber urges you to **oppose SB 1168**, and will consider votes on this legislation, and any substantive amendments to it in committee or on the floor, in our annual *How They Voted* report card. Because of the importance of this issue to employers across the state, our Board of Directors has determined that this bill, and any substantive amendments to it in committee or on the floor, will be counted **twice** on our legislative report card. The grade that you earn will be based on your voting record on the issues, such as this one. We will make every effort to notify you prior to a vote that may be included in our annual legislative report card. If you have any questions about this or other issues, please do not hesitate to contact me.

Regards,

A handwritten signature in blue ink that reads "Frank C. Walker, III". The signature is written in a cursive style with a horizontal line extending from the end.

Frank C. Walker, III  
Vice President of Government Affairs

CC: Bob Grammig, Chair, Florida Chamber of Commerce  
Mark Wilson, President & CEO, Florida Chamber of Commerce  
David Hart, Executive Vice President, Florida Chamber of Commerce