



American Association of Public Insurance Adjusters (AAPIA) Champions the Consumer, Opposes Florida Senate Bill 408

WASHINGTON, February 11, 2011 AAPIA, a national association serving public adjusters, is on record opposing Senate Bill 408, a Florida legislative bill that would significantly dilute consumer protections if passed in its current form.

AAPIA's mission is to assist the profession and its clients with understanding homeowners' insurance policies and business insurance policies. Public Adjusters serve an important service to consumers, helping them to navigate the often complex and difficult issues they face after suffering property damage. The benefits are real and tangible when public adjusters are utilized by homeowners after a loss.

Florida SB 408, although offering needed regulation for the insurance industry, contains certain provisions that are harmful to the very Florida consumers that need the help most. SB 408, recently introduced, proposes sweeping changes to the current law, which we believe would harm the consumer in many ways:

- SB 408 makes it harder for consumers to get full value for the damage to their property, even if they have paid for full replacement coverage by instituting procedures that allow insurers to pay Actual Cash Value at first, less the deductible, thereby forcing the homeowner to enter into a contract for repairs with remaining amounts paid only as work is performed. Also, homeowners will be limited to one year make the claims for the Replacement Cost Value. Receipts must also be presented for replacement costs of personal property within one year, which may be difficult for homeowners, forcing them to lose coverage on items that they have paid to insure.
- SB 408 goes too far in its effort to reduce sinkhole claims by allowing insurers to eliminate sinkhole coverage completely and non-renew current policies with the coverage, leaving homeowners with nowhere to turn. For those able to obtain coverage, SB 408 would also change the rules for evaluating whether damage is caused by a sinkhole, placing the burden of proof on the homeowner in certain circumstances and having more costs paid by the homeowner.
- Additionally, there are other limitations on providing notice on hurricane or wind storm claims, including supplemental claims, which may hurt homeowners who don't discover hidden damage until years later



AAPIA urges all Floridians to pay close attention to this proposed legislation. If enacted, this Bill would limit homeowners' ability to submit claims, and be made whole for impending losses. AAPIA recommends to all Floridians, including banking institutions, property owners, title companies, condominium owners and small business owners to contact your local legislators and encourage them to reconsider key provisions in SB 408 that are detrimental to property owners statewide.

SOURCE American Association of Public Insurance Adjusters