

Executive Summary

Board of Governors Meeting, December 7, 2016

2017 Legislative Session Update

The 2017 Legislative Session will convene on Tuesday, March 7th and is set to adjourn, sine die on Friday, May 5th. Leading into the start of the 2017 Legislative Session, both chambers will meet in a series of committee weeks commencing on January 9th. The freshman class of the Senate includes 20 new Senators and the House of Representatives includes 46 new members. Approximately 100 bills have been filed at the time of this report with the final bill filing deadline coinciding with the first day of Session.

Citizens 2017 legislative priority is on assignment of benefit (AOB) reforms to help curb the growing litigation issue that is threatening the depopulation successes that have led to Citizens lowest policy count in more than a decade. Included below are the legislative concepts that Citizens believes need to be considered to curb AOB abuse.

- Prohibit vendors working under an assignment of benefits (or any variation) from seeking fees under the one-way attorney fee statute when litigation occurs.
- Require that the assignment agreement contain a written, itemized, per unit cost estimate of the work to be performed by the assignee.
- Require that an assignment agreement be provided to the insurer no later than three (3) business days after an assignment of benefits is executed by the policyholder.
- Limit assignments to only the work being performed (not the entire claim).
- Create statutory provisions requiring assignees to comply with responsibilities that are parallel to those required of the policyholder in the insurance policy.
- Provide consumer protections including the ability to rescind the assignment and notice in writing as to what insureds are signing and what rights they are giving up.
- Prohibit an assignment from containing cancellation fees, check processing fees or overhead and profit charges in estimates.
- Prohibit lien of a property for work that is completed under an assignment and is paid for with insurance proceeds.