

Call Citizens First

Don't become a victim of AOB fraud and abuse!

- Call Citizens First as soon as you become aware of a possible loss.
- Never sign anything related to a possible loss without first calling Citizens or your agent.

Filing a claim with Citizens is easy and there is no cost. Contact your agent, or call Citizens at our toll-free, 24/7 claims reporting hotline. The rest is easy.



Call Citizens First
866.411.2742

24 hours a day, seven days a week

Calling Citizens as soon as you become aware of or suspect any damage puts you in control of your claim and ensures repairs are completed to your satisfaction and Citizens' high quality standards.

La version en español esta disponible en <https://www.citizensfla.com/brochures>.

Some repair companies may try to convince you to begin repairs before calling Citizens. This could result in a loss of coverage, leaving you holding the bill.

Citizens has the following loss reporting and repair requirements, which may affect coverage for emergency and permanent repairs:

- If emergency measures are required to protect your home from further damage, they may include only what is reasonable and necessary to secure your home and prevent further damage. Under certain policies, they may not exceed the greater of \$3,000 or 1 percent of your Coverage A limit, unless you receive Citizens' approval to exceed this amount.
- Except for reasonable and necessary emergency measures, there may be no coverage for permanent repairs that begin before one of the following occurs:
 - 72 hours after Citizens is notified
 - Citizens performs an on-site inspection
 - Citizens provides verbal or written approval

Loss reporting and repair requirements vary by policy. Failure to meet these requirements can result in loss of coverage.

Protect yourself by calling Citizens or your agent as soon as you become aware of a loss and before beginning any emergency or permanent repairs. Citizens' claims hotline is available 24/7, so we're here when you need us most.



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This brochure is for informational purposes only and is not intended to interpret or alter your Citizens policy. Your rights and responsibilities specifically are set forth in your Citizens policy.



Citizens Property Insurance Corporation
888.685.1555
www.citizensfla.com

Assignment of Benefits: What You Need to Know





What Is Assignment of Benefits?

An *assignment of benefits (AOB)* is a contract between you and a third party – typically a contractor, roofer or water mitigation company – giving them the right to deal directly with your insurance company and receive payment for your claim.

When You Sign an AOB

Your rights and benefits may be transferred to the contractor, giving them the right to submit your claim or even file a lawsuit without your knowledge. They also may be able to collect any payments directly from your insurance company.

- You have limited recourse if your contractor misrepresents your claim.
- You cannot withhold payment or switch contractors if you are unhappy with their work.
- You cannot comparison shop for better quality or price.
- You could be left with unfinished work or holding the bill if your insurance company pays less than the contractor demands.
- You still must allow Citizens to inspect the damages.

Common Scenarios

- Someone knocks on your door and tells you they suspect your roof sustained damage from a recent storm. Your roof is older, so you let them take a closer look. They quickly climb down and tell you there is damage and they'll get your insurance to pay for a new roof.
- It's 10 p.m. on Sunday, and you just got back from vacation. You walk into your kitchen and are greeted by water dripping from the ceiling light. A pipe burst, and water is leaking through the ceiling. You search for repair companies and call the top result. They promise to repair the damage right away and get your insurance to pay for a whole new kitchen.

While it's tempting to get repairs started right away, *do not sign anything* before consulting with Citizens or your agent:

- Your policy may require that you allow Citizens to inspect damage before making permanent repairs. If you don't *Call Citizens First*, you could end up holding the bill for unapproved work.
- If you're unhappy with the repairs, you can't withhold payment or select another repair company.
- If Citizens doesn't agree with the scope of damages or amounts charged for repairs:
 - Repairs may not be completed.
 - The repair company could charge you for whatever amount your insurer doesn't pay for repairs already made. They even could put a lien on your home.

Increased Premiums

Due to water and AOB-driven losses, for every \$1 of premium earned in 2015, Citizens spent \$1.05 statewide and \$1.22 in Miami-Dade County. This affects Citizens' ability to pay claims following a major catastrophe and is driving increased rates for Citizens and other Florida insurers.

Increased Claims Resolution Times

AOB claims generally take longer to resolve and cost an average of 74-116 percent more to resolve. These increased costs do not translate into higher claims payouts for customers.



Help Stop Fraud!

The Coalition Against Insurance Fraud estimates that fraud costs every U.S. family \$950 per year. Most AOB is not fraud, but AOB fraud and abuse are on the rise.

Red Flags

- Someone knocks on your door and tells you there is damage you didn't know about.
- You're promised something for nothing, such as a free roof or kitchen renovation.
- Someone claims the damage is greater than it clearly is.
- Permanent repairs begin before your insurance company is notified or allowed to inspect damages.
- Someone promised to cover your deductible.

If something sounds too good to be true, it probably is. Never sign a contract without consulting Citizens or your insurance agent.

To report suspected fraud, call the Florida Department of Financial Services Consumer Helpline at 800.342.2762



Increased Litigation

AOB-related lawsuits are on the rise, driving claims costs and contributing to rising rates. Late reporting and inflated repair costs are the most common causes.



The Pitch

You are most likely to be offered an AOB when requesting emergency repairs or when companies go door-to-door soliciting business.



The Pitfalls

You're told repairs can't begin until you sign an AOB contract allowing the repair company to submit your claim and be paid directly by your insurer.



The Costs

At Citizens, the percentage of homeowners claims involving AOB has doubled since 2014. This trend is industrywide.