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March 18, 2019

Florida Senate Committee on Judiciary
March 18
4 p.m. EDT

RE: SB 122 - Agreements Between Service Providers and Consumers

Submitted By: Christian Cámara

Chairman Simmons and members of the committee,

My name is Christian Cámara. I am a co-founder and senior fellow of the R Street Institute, a Washington-based, free-market public policy research organization or think tank.

We have researched and written extensively on Florida's property insurance market over the years and have crafted proposals that have been incorporated into reforms that successfully helped stabilize the state's once-shaky insurance market.

Despite positive legislative reforms, a decadelong reprieve from hurricanes and record-low reinsurance rates, Florida's property insurance rates have continued to rise, due in large part to out-of-control litigation and AOB abuse.

In our most recent insurance study, published in conjunction with the James Madison Institute, we outlined a series of reforms that we feel would largely address the AOB crisis and consequent insurance rate increases that Florida, and only Florida, is experiencing.

We are happy to see that Senate Bill 122 incorporates our recommendations that consumers be kept in the loop during the claim-resolution process and protected with an opt-out period and requirement that they approve an itemized, written estimate, which is then sent to the insurer within a reasonable time. However, we do feel that more can and should be done to address attorney fees, which have served as a perverse incentive to bring costly litigation.

In conclusion, we believe this modest bill is a step in the right direction, and we urge its passage.