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Feb. 4, 2020

Sen. David Simmons, Chairman
Sen. Jose Javier Rodriguez, Vice Chairman
Senate Committee on Judiciary
515 Knott Building
404 S. Monroe Street
Tallahassee, FL 32399-1100

In SUPPORT of S.B. 914, An act relating to contingency risk multipliers

Chairman Simmons and Members of the Committee,

My name is R.J. Lehmann and I am director of finance, insurance and trade policy at the R Street Institute. R Street is a think tank devoted to pragmatic free-market solutions to public policy challenges and that has engaged on Florida property-casualty insurance issues since our founding eight years ago.

I write you in support of S.B. 914, legislation that would prohibit courts from considering contingency risk or using a contingency risk multiplier in setting attorney fees for claims arising out of property insurance policies. This bill would help curb the growth of attorney fees by limiting them to a “lodestar fee,” commonly understood as the reasonable hourly rate multiplied by a reasonable number of hours.

This issue has arisen in several notable decisions in recent years, including the *Citizens v. Agosta* case, in which the trial court awarded a contingency multiplier that was more than double the lodestar fee. Such awards provide outsized incentive for trial attorneys to take cases on a contingency basis and contribute to the litigation explosion that has driven up the cost of property insurance coverage in Florida.

S.B. 914 is a reasonable piece of legislation to arrest out-of-control legal costs while preserving the rights of Floridians to pursue their justifiable interests in court.

Sincerely,

R.J. Lehmann
R Street Institute