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Jan. 21, 2020

Sen. Doug Broxson, Chairman
Sen. Darryl Ervin Rouson, Vice Chairman
Senate Committee on Banking and Insurance
320 Knott Building
404 S. Monroe Street
Tallahassee, FL 32399-1100

In SUPPORT of S.B. 914, Property Insurance

Chairman Broxson 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 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, sponsored by Sen. Jeff Brandes, 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.

Sen. Brandes' bill 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