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FJRI Update Details Continued Growth in AOBs

State Agency Data Proves Lawsuits are Out of Control

Tallahassee, Fla. – State law that was intended to benefit insurance policyholders continues to generate an ever-increasing windfall for trial lawyers and the repair vendors who hire them, according to a newly updated report by the Florida Justice Reform Institute.

The report uses data from the Florida Department of Financial Services' Service Of Process database, updated through 2018, to show the widespread growth of Assignment of Benefits (AOB) lawsuits.

“This updated report details how out-of-control AOB lawsuits based on the one-way attorney fee continues to accelerate, driving up overall litigation and costs for policyholders,” said William Large, president of the Florida Justice Reform Institute.

At the heart of the problem is the one-way attorney fee statute designed to give policyholders equal footing in disputes with insurers. Some vendors use AOBs to seize control of this special policyholder right, and then file expensive lawsuits based on inflated claims. Sometimes these lawsuits even happen without the policyholder's knowledge or consent.

This lawsuit-for-profit scheme has become an incentive for trial lawyers and their vendor clients – often water damage remediation firms or auto glass shops with aggressive marketing schemes.

Updated with new data through 2018, the report, authored by FJRI counsel Ashley Kalifeh of Capital City Consulting, contains some startling insights:

- For the eighth consecutive year, AOB lawsuits make up more than half of all lawsuits filed against insurers statewide. In 2018, 18 percent more AOB lawsuits were filed than in 2017.
- From 2008 to 2018, AOB lawsuits increased by over 900 percent, while total lawsuits in that same period increased just over 400 percent.
- Five firms filed more than 20 percent of all property AOB lawsuits. Even worse, nine firms filed nearly 85 percent of all auto glass AOB cases.
- In a troubling development, some lawyers are also setting up their own repair businesses, so they can profit from both the abuse and the lawsuits.
- AOB lawsuits are still concentrated in a few Florida counties, raising questions about statistical probability. In 2018, almost half of all property AOB lawsuits were filed in Miami-Dade and Broward counties, while the vast majority of all auto glass AOB lawsuits were filed in Hillsborough and Orange counties.

"While Florida is a growth state, AOB lawsuits are growing much faster than population, going from little more than a few hundredths of a point as a fraction of Florida's population to nearly a full three-quarters of a percent now," said Kalifeh.

"Unfortunately, rampant AOB lawsuits threaten our confidence in the state's legal climate," said Large. "The legislature can help the people of Florida by standing up to the trial lawyers and passing meaningful AOB lawsuit reform."

A copy of the updated report may be found [here](#).

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The Florida Justice Reform Institute was created in 2005 to fight wasteful civil litigation through legislation, promote fair and equitable legal practices and provide information about the state of civil justice in Florida. Visit fljustice.org for more information.

