Assignm

Assignment of Benefits (AOB)
What You Need to Know

What is Assignment of Benefits (AOB)?

An AOB is a part of a legal contract between you and a third party, such as a contractor, roofer, or water mitigation company that, once signed, may transfer your policy rights from you to that third party. This allows the third party to deal directly with your insurance company and receive payment for your claim without your involvement.

What are the risks of signing an AOB?

When you sign an AOB contract, you are essentially giving up the right to manage your claim with your insurance company. AOBs can be abused by ill-intentioned contractors, placing you at risk and without options for recourse. Consider the following:

• An AOB directs payment to the contractor, meaning you lose the ability to withhold payment for the contractor’s services until you are happy with their work.

• If the contractor misrepresents the claim by inflating the scope or cost of repairs, the insurance company may decline to pay the exaggerated claim and you could be left to pay the bill.

• The contractor can decide to sue the insurance company in your name and without your permission.

• The contractor could file a lien against your home and may be enforced by foreclosure.

How can you protect yourself against AOB abuse?

Contact Amica first: Call Amica as soon as you become aware of any damage to your home. This puts you in control of your claim. We will work with you and the contractor of your choice to evaluate and resolve your claim in a timely manner. You can contact Amica at 833-519-1473.

Watch for warning signs: A contractor showing up unsolicited to inform you of damage and promising your insurance will pay for everything is a red flag. A contractor insisting that you sign an AOB contract before work can begin is also a warning sign.

Know your rights: You do not need to sign an AOB contract to get your insurance claim processed or your residence repaired, even for emergency repairs.

Stay in control: Make sure you read and understand everything the contract is stating so that you don’t unintentionally sign away your policy rights to a third party who may not have your best interests at heart. Stay in control of the insurance policies that you bought and paid for.

When choosing a contractor, be sure to check that the contractor has valid licenses and has a history of providing their customers with ethical and professional services.

Report fraud: Florida homeowners can cancel a home repair contract within three to five days of signing. If you suspect fraud, notify Amica immediately and report it to the Florida DFS Division of Insurance Fraud, either by calling 800-378-0445 (from a Florida area code) or online at www.myfloridacfo.com/division/difs/offices

Notice of Change in Policy Terms

We have revised the Special Provisions -- Florida endorsement to incorporate a provision regarding Reasonable Emergency Measures. This new wording will replace the Reasonable Repairs provision located under Section I -- Property Coverages, E. Additional Coverages, of the policy. Please read it carefully.

The Reasonable Emergency Measures coverage now states that we will cover up to the greater of 1% of your Coverage A limit of liability or $3,000 for reasonable costs incurred by you for the temporary and necessary measures taken solely to protect covered property from further damage, when the damage is caused by a Peril Insured Against.

We will not pay more than these new limits unless a request is made by the insured and authorized by us. If a request for additional limits is submitted and we do not respond within 48 hours of when the request is made, you may exceed the new limits up to the amount required to make the reasonable emergency measures necessary to protect the covered property from further damage.

Reasonable measures may include a permanent repair when necessary to protect the covered property from further damage or to prevent unwanted entry to the property. If repairs are made, reasonable efforts must be made to retain the damaged property for us to inspect.

These new limits do not apply to a covered loss that occurs during a hurricane event as described in the hurricane endorsements.

If you have any additional questions on AOB, please contact Amica at 833-519-1473.