



Dear Policyholder,

Thank you for choosing Weston Insurance as your windstorm insurance company. Hurricane season is here and we'd like to share the information below with you regarding "Assignment of Benefits" clauses commonly found in repair contractors' agreements. Please also visit the Resources section of our website at www.weston-ins.com for valuable information about how to prepare yourself and your property for a storm.

What to do to protect your property

When you have a claim resulting from wind or hail damage, hiring a contractor to prevent further damage to your property is important to both you and Weston.

But be careful what you sign. Many contractors' agreements contain what is called an Assignment of Benefits Clause. When you sign one of these contracts, the contractor may contend that you have agreed to allow them to "stand in your shoes" for the purposes of your insurance claim. In most instances Policyholders are not aware that they may have allegedly just signed away control of their own claim.

What does an Assignment of Benefits mean to you?

The contractor can charge whatever they choose to do the work with no input or agreement from you or your insurance carrier.

Since the agreement is typically signed before the full scope of work is determined, the contractor usually dictates what work will be completed under the agreement.

The contractor may contend that you should not be named as a payee on your own insurance proceed checks. If the contractor receives payment directly, you may lose any leverage to ensure that the job is completed and completed to your satisfaction.

The contractor may claim that they can sue your insurance carrier directly, just as if they were you but without your further consent. If that happens, you may be subject to being called to give a statement under oath, to produce documents and to appear in court. All for a lawsuit over which you have no control. In addition, if your insurance carrier prevails in court or ends up being obligated to pay less than the total amount claimed by the contractor, the contractor can then turn around and still pursue payment directly from you. The contractor can even place a lien on your home for such amounts and contractor liens in Florida can be enforced by foreclosure.

What can you do to protect yourself?

Call Weston as soon as you are aware of damage. We will be able to refer you to a contractor who will do the work without asking you to sign away your rights.

Read any documents you sign very carefully.

When you hire a contractor, whether referred by Weston or not, you may want to refer to one of the following sources for guidelines on hiring a contractor:

<http://www.miamidade.gov/environment/library/brochures/hiring-contractor.pdf>
<https://www.consumer.ftc.gov/articles/0242-hiring-contractor>