

NewsRoom

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Politicians, don't let the insurance corporations off the legal hook

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Anyone who wonders what's wrong with Tallahassee need look no farther than the insurance legislation now pending, and which the Governor, Senate president and House speaker support.

House Bill 837 and Senate Bill 236 would weaken more than a century of legislation meant to help insurance customers get honest treatment.

Insurance companies can be great in our time of need. But many times they don't live up to their billing. Just ask victims of Hurricane Ian. The Washington Post reported last week that after the September storm, many policyholders were left with huge gaps to fill between the cost of home repairs and the payouts insurers would provide.

Often the only viable option for a consumer who feels shorted by an insurance company is to take them to court, even though taking on a billion-dollar company and its legal team is a steep challenge for an individual homeowner. And yet, the legislation now in hand, awaiting decision by a Republican majority flush with millions of dollars in insurance company campaign contributions, would make it much harder for wronged consumers even to make it to court.

As Tampa Bay Times Tallahassee Correspondent Lawrence Mower reported this week, the Legislature for years has chipped away at our ability to sue property insurance companies — not that it has led to lower premiums for Florida consumers, who pay among the nation's highest. The latest bills would expand those corporate protections to auto, life, liability and health insurers, making it harder for consumers to get reimbursed for legal fees and harder for lawyers to take on such cases, and limiting how much insurers have to pay for medical bills in injury cases.

Insurers have long claimed that the cost of defending lawsuits makes insurance more expensive for everyone. But then, who is to defend the wronged customer, if not a lawyer? Why rig the legal system to favor Goliath over David?

The companies are not struggling, as Mower reports. Citing the Consumer Federation of America, health insurers have seen vast profits in recent years by managing Medicare Advantage plans, while automobile insurer profits neared \$30 billion in 2020.

They seem to have some cash on hand. As a Times/Herald analysis showed, "insurance companies, executives and agents have donated at least \$74 million to Florida politicians or business groups." The top recipient: Gov. Ron DeSantis, pulling in \$3.3

million. And there's this gem: Florida Chief Financial Officer Jimmy Patronis, has raked in nearly \$2 million — from the industry he's supposed to regulate.

The bills are working their way through the legislative process quickly and details are changing as we write. But the drive for tort reform, to blame the lawyers who bring "frivolous" suits, rather than the corporations, never seems to end. Gov. Ron DeSantis, a lawyer, complains that the legal system in Florida tilts toward litigation rather than settlement. But it's hard to see major corporations as victims when they're fully capable and much better financed than their customers to defend themselves in coverage disputes.

As West Palm Beach lawyer Jeffrey Liggio put it, in a Palm Beach Post commentary this week: "You may think you and your family have excellent insurance. But you may not learn that is not the case until there is a crisis, made worse by the insurer, and now you have to fight back."

He's right. And it's much harder to fight back when the officials you elected to protect you don't have your back.

--- **Index References** ---

Company: Consumer Federation of America

Industry: (Automobile Insurance (1AU51); Financial Services (1FI37); Health Insurance (1HE18); Healthcare (1HE06); Healthcare Regulatory (1HE04); Insurance (1IN97); Insurance Brokerage (1IN33); Personal Property & Casualty Insurance (1PE46); Property & Casualty Insurance (1PR21); U.S. National Healthcare Reform (1US09))

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