

# What is an AOB?

An Assignment of Benefits (**AOB**) is a contract between you and a third party – typically a contractor, roofer or water mitigation company – giving them the right to deal directly with your insurance company and receive payment for your claim.

# What you need to know about an AOB

The **AOB** must contain a written, itemized, per-unit cost estimate of the services to be performed by the third-party assignee and it must only relate to the work to be performed for services to protect, repair, restore, or replace a dwelling or structure or to mitigate against further damage to such property.

The **AOB** must contain a notification in 18-point, uppercase, boldfaced font that advises you that you are giving up certain rights under your insurance policy to a third party. The notification must also include the rescission terms.

The **AOB** must contain a provision that requires the third-party assignee to indemnify and hold you harmless from all liabilities, damages, losses, and costs (including attorney fees). The execution of the **AOB** constitutes a waiver by the third-party assignee and its subcontractors of claims against you for payment arising from the **AOB**. The third-party assignee and its subcontractors may not collect, or attempt to collect money from you, maintain any action of law against you, file a lien against your property or report you to a credit reporting agency.

The **AOB** prohibits the third-party assignee from seeking payment from you in any amount in excess of the applicable policy deductible unless you have agreed to have additional work performed at your own expense.

The **AOB** cannot assign the right to recover attorney fees to the third-party assignee. In a suit related to an assignment agreement for claims arising under a residential or commercial property damage, the right to recover attorney fees stays with the assignor.

Florida law prohibits a third-party assignee from including the following charges/fees in an **AOB**:

- A penalty or fee for rescission of the **AOB** during the timeframes outlined in the **AOB**.
- A check or mortgage processing fee.
- A penalty or fee for cancellation of the **AOB**.
- An administrative fee

The assignee must provide a copy of the **AOB** to your insurance company within 3 business days following its execution, or the date work commenced, whichever is earlier.

The assignee must comply with certain policyholder duties as stipulated by the policy including the responsibility to maintain records of all services provided, cooperate with the insurance company's claim investigation and provide the insurance company with requested records and documents related to the services provided. As a pre-condition to filing suit, the assignee must submit to examinations under oath or recorded statements related to the services provided, the associated cost, and the **AOB** itself.