

# Stopping home repair scams starts with understanding how they work.

## How Assignment of Benefits (AOB) Abuse Happens

Homeowner Holly wakes up to a water leak in her kitchen and calls Plumber Paul.

"Oh, no!"

PLUMBER

"You should hire Vendor Vick to handle clean-up and damage mitigation."

Secretly, Vick pays Paul.

"Thanks for the referral, buddy!"

Vick asks Holly to sign some forms.

"Sign here. I will handle the claim with the insurance company!"

All of Holly's insurance rights are transferred to Vick in the form of an "AOB." But she doesn't know it.

Vick does the mitigation work, and sends the insurance company an invoice.

Insurance company sees inflated fees and questionable charges.

**CLAIM DENIED**

The insurance company denies Vick's claim.

"This bill seems high. We had no chance to come out and adjust this claim."

Vick hires Larry Lawyer to sue the insurance company.

Insurance companies often settle claims, and they have to pay the lawyers' fees.

"Why are my insurance rates higher?"

The cost of the claim and the lawsuit must be included in the insurance company's rates.

