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Fred Sylvester, a contractor and inspector, has been performing thorough wind mitigation inspections for years including one at the apartment complex he owns near Page Field in Fort Myers.

# Paperwork, training likely to become more stringent

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Changes are in the works to tighten up what critics in Southwest Florida and around the state say is a sloppy, fraud-ridden process by which homeowners get discounts on wind insurance.

Under the current rules, experts say private inspectors hired by the homeowner often do inaccurate reports, even taking money sometimes to falsely state that a home is safer than it really is, experts say.

That could cause major problems in the aftermath of a big storm — more damage would be done than anyone counted on because insurance companies rely on the reports to grant discounts.

The Florida Office of Insurance Regulation held a workshop Sept. 22 and is deciding how to reform the process, which is mandated by a law passed by the Florida Legislature this year.

Any changes are awhile off, said Jack McDermott, director of communications at the insurance regulation office.

“Right now we’re still in the

## WHAT WILL HAPPEN

Details of wind insurance reform haven’t been worked out, but here are the basic changes being considered:

- More training and experience required for inspectors
- Inspectors would have to document their findings more rigorously
- The forms used to record the inspector’s findings would list more specific criteria

process of reviewing everyone’s findings and recommendations. The next step is to take a preliminary finding to the Cabinet Financial Services Commission and request a public hearing,” he said.

After that hearing, the office would draft recommended changes to the form used by wind insurance inspectors. It would also beef up the qualifications inspectors would have to have, McDermott said.

Fred Sylvester, a building contractor and home inspector who

does wind inspections for homeowners, said he’s glad McDermott’s agency is working on reforms.

“Absolutely I think it’s a good thing,” he said. “The ultimate goal, and I’m speaking as an inspector, is we want to be able to give credits where the insurance companies are going to give credits and we want to be able to describe the work.”

Under the current system, with inspectors using a form that only describes strength factors in general terms, that’s difficult and leaves the door open for fraud, he said — an inspector isn’t required to prove the specific things he’s noting about a structure.

Reforms likely will change that, he said: requiring specific information on how many and what type of nails are securing the roof, for example, and what the exact pitch of a roof is (lower-pitched roofs are stronger).

William Stander, the Tallahassee-based assistant vice president of the Property Casualty Insurers Association of America, said

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## MITIGATION

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today’s loose rules could end up causing economic pain for millions of Floridians.

In the event of a bad hurricane, he said, insurance companies would discover that they hadn’t collected enough money to pay for the damage.

In the case of Citizens Insurance, which is backed financially by the state, that means big trouble, Stander said. That’s because anyone with a Citizens policy would be docked to help make up the difference.

“Those people (with falsified inspectors’ reports) are not paying enough to Citizens and when they have claims and their homes are damaged because they don’t have those features, Citizens is going to have to pay a lot more money,” he said. “All of us are on the hook for Citizens.”

Also, Stander said, the outcome is uncertain for those whose insurance companies discover after the storm that their houses aren’t as claimed. “That’s a question for each company individually, how they’re going to deal with that.”

Sylvester said he’ll be glad when inspectors have to have more experience and training — and when the official form requires them to prove exactly how a house is stronger than given credit for originally by the insurer.

Most experienced inspectors feel that way, he said. “There’s more guys out there who do it right than wrong,” he said. “It’s the guys who don’t do it right who spoil it for everybody.”