



## Ocwen, Assurant Agree to \$140M Force-Placed Insurance Class Action Settlement (<http://topclassactions.com/lawsuit-settlements/lawsuit-news/54806-ocwen-assurant-agree-to-140m-force-placed-insurance-class-action-settlement/>)

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(<http://topclassactions.com/wp-content/uploads/2015/04/ocwen.jpg>)A \$140 million class action settlement has been reached with Ocwen Financial Corp. and Assurant Inc. to resolve allegations by homeowners who claim that Ocwen charged homeowners inflated premiums for force-placed insurance and received kickbacks from Assurant, in exchange.

The massive force-placed insurance class action settlement will provide relief to about 400,000 class members. In addition, Ocwen will not allow for

commissions from force-placed insurance coverage for the next five years.

The plaintiffs have filed a motion for final approval of the Ocwen Financial class action settlement in a Florida federal court.

“This settlement will provide near-complete monetary relief to hundreds of thousands of Ocwen borrowers nationwide who had hazard, flood, flood-gap, or wind insurance coverage forced on their properties,” the plaintiffs write in their motion for the final approval of the class action settlement.

According to the plaintiffs, the \$140 million, which will resolve the claims of 399,843 U.S. homeowners, “constitutes 50 percent to 100 percent of the best-case scenario damages recoverable by the class had the parties proceeded to trial.”

They add that as Class Members have begun to file their claims for the Ocwen Financial force-placed insurance class action settlement that there have been “no objections and only 42 opt-outs,” which they describe as “an extraordinary result.”

The class action settlement also provides \$9.85 million in attorneys’ fees and expenses, which they say were “negotiated only after all class benefits had been secured under the direct supervision of a nationally recognized mediator, and payable by defendants beyond and outside of the benefits to the class.”

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**Truvia Natural Sweetener Class Action Settlement**

The Ocwen class action settlement is for "all borrowers who had mortgage loans serviced by Ocwen and were charged amounts for [lender-placed insurance] hazard, flood, flood-gap, or wind coverage issued by Assurant or its subsidiaries between Jan. 1, 2008 and Jan. 23, 2015. The class will include borrowers with homes in foreclosure, negotiated short sales, deeds in lieu of foreclosure, or modified loan terms."

The force-placed class action lawsuit was filed against Ocwen Financial, Assurant and American Security Insurance Company (ASIC) by plaintiff Jennifer Lee, alleging Ocwen had entered into collusive agreements with Assurant, which allowed both the lender and the insurer to gain "exceptional profits."

Assurant is one of two insurance companies that control almost the entire force-placed insurance market in the United States and Assurant and its affiliates, such as ASIC, have exclusive relationships with mortgage lenders.

"To maintain their exclusive relationships with these lenders, the insurers pay them unearned 'kickbacks,' in the form of direct payments (sometimes disguised as reimbursements for certain costs) or in the form of a percentage of the force-placed policy premiums, offer them subsidized or discontinued administrative services, and/or enter into lucrative captive reinsurance deals with them," Lee claims in her force-placed class action lawsuit.

The class action settlement was preliminarily approved on Dec. 18, 2014. Notices have been sent out via regular mail, a settlement website, and the USA Today, among other means.

The class is represented by Adam M. Moskowitz, Tucker Ronzetti, Rachel Sullivan and Robert J. Neary of Kozyak Tropin & Throckmorton, Aaron S. Podhurst, Peter Prieto, John Gravante III and Matthew Weinshall of Podhurst Orseck PA and Lance A. Harke, Sarah Engel and Howard M. Bushman of Harke Clasby & Bushman LLP.

Ocwen is represented by Brian V. Otero, Stephen R. Blacklocks, Ryan A. Becker and Corey Anthony Lee of Hunton & Williams LLP. Assurant is represented by Franklin G. Burt, Farrokh Jhabvala, W. Glenn Merten, Brian P. Perryman and Irma T. Reboso-Solares of Carlton Fields Jordan Burt.

The **Ocwen Assurant Force-Placed Class Action Lawsuit** is *Lee v. OCWEN Loan Servicing LLC et al*, Case No. 0:14-cv-60649, in the U.S. District Court for the Southern District of Florida.

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