

By the Committee on Banking and Insurance; and Senator Farmer

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1 A bill to be entitled
2 An act relating to property repair; providing a
3 directive to the Division of Law Revision and
4 Information to create part XVII of ch. 468, F.S.,
5 entitled "Water Damage Restoration"; creating s.
6 468.94, F.S.; creating within the Department of
7 Business and Professional Regulation the water damage
8 restoration services licensing program; providing
9 legislative intent; creating s. 468.941, F.S.;
10 providing exemptions from regulation under the part;
11 creating s. 468.9411, F.S.; defining terms; creating
12 s. 468.9412, F.S.; authorizing the department to
13 establish specified fees; specifying requirements and
14 limitations for such fees; creating s. 468.9413, F.S.;
15 providing examination requirements for applicants for
16 professional water damage restorer licensure;
17 providing requirements for practicing as a
18 professional water damage restorer; requiring the
19 department to review and approve courses of study;
20 defining the term "good moral character"; specifying
21 conditions under which the department may refuse to
22 certify an applicant for lack of good moral character;
23 providing requirements for the department when
24 refusing to certify on such grounds; authorizing the
25 department to adopt rules; providing applicant
26 fingerprinting and background check requirements;
27 creating s. 468.9414, F.S.; requiring the department
28 to license qualified applicants who meet specified
29 requirements; authorizing the department to refuse to

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30 certify applicants under certain circumstances;
31 creating s. 468.9415, F.S.; providing requirements for
32 license renewals; authorizing the department to adopt
33 rules; creating s. 468.9416, F.S.; providing
34 requirements for continuing education; authorizing the
35 department to prescribe by rule certain additional
36 requirements; creating s. 468.9417, F.S.; providing
37 procedures for placing licenses in inactive status;
38 requiring the department to adopt rules; creating s.
39 468.9418, F.S.; providing construction relating to
40 certification of partnerships and corporations;
41 creating s. 468.9419, F.S.; specifying prohibited
42 acts; providing criminal penalties; providing
43 applicability; creating s. 468.942, F.S.; specifying
44 grounds for disciplinary actions; authorizing
45 specified disciplinary actions by the department;
46 creating s. 468.9421, F.S.; requiring professional
47 water damage restorers to maintain specified insurance
48 coverage; creating s. 468.9422, F.S.; requiring
49 contracts to perform water damage restoration to be in
50 a document or electronic record and signed or
51 authenticated by the parties; creating s. 468.9423,
52 F.S.; providing procedures and requirements for
53 grandfathering specified persons for licensure;
54 specifying persons who may not qualify for such
55 licensure; creating s. 468.9424, F.S.; requiring the
56 department to adopt rules; amending s. 627.062, F.S.;
57 specifying that certain fees and costs may not be
58 included in a property insurer's rate base or used to

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59 justify a rate or rate change; amending s. 627.422,
60 F.S.; prohibiting certain property insurance policies
61 from prohibiting the post-loss assignment of benefits;
62 providing that an assignment agreement is not valid
63 unless it meets specified requirements; providing
64 requirements and limitations for assignees of post-
65 loss benefits; requiring insurers to provide specified
66 contact information on their websites and in policies;
67 requiring assignees to deliver an executed assignment
68 agreement to insurers within a specified timeframe;
69 requiring insureds or assignees to provide a certain
70 prelitigation notice and invoice to insurers within a
71 specified timeframe; providing construction; requiring
72 the Office of Insurance Regulation to require each
73 insurer to report at certain intervals specified data
74 relating to claims paid pursuant to assignment
75 agreements; requiring insurers to report certain
76 information to opposing counsel, and requiring the
77 opposing counsel to verify or certify the information,
78 before it is reported to the office; providing
79 applicability; amending s. 627.7011, F.S.; prohibiting
80 specified acts of insurers relating to homeowners'
81 insurance policies under certain circumstances;
82 providing an effective date.

83
84 Be It Enacted by the Legislature of the State of Florida:

85
86 Section 1. The Division of Law Revision and Information is
87 directed to create part XVII of chapter 468, Florida Statutes,

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88 consisting of ss. 468.94-468.9424, Florida Statutes, to be
89 entitled "Water Damage Restoration."

90 Section 2. Section 468.94, Florida Statutes, is created to
91 read:

92 468.94 Water damage restoration services licensing program;
93 legislative purpose.—

94 (1) There is created within the department the water damage
95 restoration services licensing program.

96 (2) The Legislature finds it necessary in the interest of
97 the public safety and welfare to prevent damage to real and
98 personal property, to avert economic injury to the residents of
99 this state, and to regulate persons and companies that hold
100 themselves out to the public as qualified to perform water
101 damage restoration services.

102 Section 3. Section 468.941, Florida Statutes, is created to
103 read:

104 468.941 Exemptions.—The following persons are not required
105 to comply with any provisions of this part relating to water
106 damage restoration:

107 (1) A residential property owner who performs water damage
108 restoration on his or her own property;

109 (2) A person who performs water damage restoration on
110 property owned or leased by the person, the person's employer,
111 or an entity affiliated with the person's employer through
112 common ownership, or on property operated or managed by the
113 person's employer or an entity affiliated with the person's
114 employer through common ownership. This exemption does not apply
115 if the person, employer, or affiliated entity engages in the
116 business of performing water damage restoration for the public;

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117 (3) An employee of a professional water damage restorer
118 while directly supervised by the professional water damage
119 restorer;

120 (4) Persons or business organizations that are acting
121 within the scope of the respective licenses required under part
122 XV of this chapter, chapter 471, part I or part II of chapter
123 481, chapter 482, or chapter 489; that are acting on behalf of
124 an insurer under part VI of chapter 626; or that are persons in
125 the manufactured housing industry who are licensed under chapter
126 320, except when any such persons or business organizations hold
127 themselves out for hire to the public as a "certified water
128 damage restorer," "registered water damage restorer," "licensed
129 water damage restorer," "water damage restorer," "professional
130 water damage restorer," or any combination thereof, stating or
131 implying licensure under this part; and

132 (5) An authorized employee of the United States, this
133 state, or any municipality, county, or other political
134 subdivision, or public or private school, and who is conducting
135 water damage restoration within the scope of that employment, as
136 long as the employee does not hold himself or herself out for
137 hire to the general public or otherwise engage in water damage
138 restoration.

139 Section 4. Section 468.9411, Florida Statutes, is created
140 to read:

141 468.9411 Definitions.—As used in this part, the term:

142 (1) "Department" means the Department of Business and
143 Professional Regulation.

144 (2) "Professional water damage restorer" means any person
145 who performs water damage restoration.

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146 (3) "Water damage restoration" means water removal,
147 demolition, dehumidification, or other treatment related to
148 water damage or water-contaminated matter larger than 10 square
149 feet.

150 Section 5. Section 468.9412, Florida Statutes, is created
151 to read:

152 468.9412 Fees.—

153 (1) The department may establish fees to be paid for
154 application, examination, reexamination, licensing and renewal,
155 inactive status application and reactivation of inactive
156 licenses, and application for providers of continuing education.
157 The department may also establish a delinquency fee. Fees must
158 be based on department estimates of the revenue required to
159 administer this part. All fees must be remitted with the
160 application, examination, reexamination, licensing and renewal,
161 inactive status application and reactivation of inactive
162 licenses, and application for providers of continuing education.

163 (2) The application fee may not exceed \$125 and is
164 nonrefundable. The examination fee may not exceed \$125 plus the
165 actual per applicant cost to the department to purchase the
166 examination, if the department chooses to purchase the
167 examination. The examination fee must be in an amount that
168 covers the cost of obtaining and administering the examination
169 and must be refunded if the applicant is found ineligible to sit
170 for the examination.

171 (3) The fee for an initial license may not exceed \$200.

172 (4) The fee for an initial certificate of authorization may
173 not exceed \$200.

174 (5) The fee for a biennial license renewal may not exceed

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175 \$400.

176 (6) The fee for licensure by endorsement may not exceed
177 \$200.

178 (7) The fee for application for inactive status may not
179 exceed \$100.

180 (8) The fee for reactivation of an inactive license may not
181 exceed \$200.

182 (9) The fee for applications from providers of continuing
183 education may not exceed \$500.

184 Section 6. Section 468.9413, Florida Statutes, is created
185 to read:

186 468.9413 Examinations.—

187 (1) A person desiring to be licensed as a professional
188 water damage restorer must apply to the department after
189 satisfying the examination requirements of this part.

190 (2) An applicant may practice in this state as a
191 professional water damage restorer if he or she passes the
192 required examination, is of good moral character, and has
193 successfully completed the Water Damage Restoration Technician
194 course and the Advanced Structural Drying course approved by the
195 Institute of Inspection, Cleaning and Restoration Certification
196 or similar courses approved by the department.

197 (3) The department shall review and approve courses of
198 study in water damage restoration.

199 (4) (a) As used in this section, the term "good moral
200 character" means a personal history of honesty, fairness, and
201 respect for the rights of others and for the laws of this state
202 and nation.

203 (b) The department may refuse to certify an applicant who

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204 fails to satisfy the requirement for good moral character only
205 if:

206 1. There is a substantial connection between the lack of
207 good moral character of the applicant and the professional
208 responsibilities of a licensed professional water damage
209 restorer; and

210 2. The finding by the department of lack of good moral
211 character is supported by clear and convincing evidence.

212 (c) When an applicant is found to be unqualified for a
213 license because of a lack of good moral character, the
214 department must furnish the applicant with a statement
215 containing the findings of the department, a complete record of
216 the evidence upon which the determination was based, and a
217 notice of the rights of the applicant to a hearing and appeal.

218 (5) The department may adopt rules pursuant to ss.
219 120.536(1) and 120.54 to administer this section.

220 (6) An applicant for a license shall submit, together with
221 the application, a complete set of electronic fingerprints to
222 the department. The department shall submit the fingerprints to
223 the Department of Law Enforcement for state processing, and the
224 Department of Law Enforcement shall forward them to the Federal
225 Bureau of Investigation for national processing, to determine
226 whether the applicant has a criminal history record. The
227 department shall review the background check results to
228 determine if the applicant meets licensure requirements. The
229 applicant is responsible for the costs associated with
230 processing the fingerprints. The authorized agencies or vendors
231 shall collect such fees and pay the processing costs due the
232 Department of Law Enforcement.

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233 Section 7. Section 468.9414, Florida Statutes, is created
234 to read:

235 468.9414 Licensure.—

236 (1) The department shall license any applicant who the
237 department certifies is qualified to practice professional water
238 damage restoration.

239 (2) The department shall certify for licensure any
240 applicant who satisfies the requirements of s. 468.9413, who has
241 passed the licensing examination, and who has met the education
242 requirements of s. 468.9413. The department may refuse to
243 certify any applicant who has violated any of the provisions of
244 this part.

245 (3) The department shall certify as qualified for a license
246 by endorsement an applicant who is of good moral character, who
247 has the insurance coverage required under s. 468.9421, and who:

248 (a) Is qualified to take the examination as set forth in s.
249 468.9413 and has passed a certification examination offered by a
250 nationally recognized organization that certifies persons in the
251 specialty of water damage restoration. The certification
252 examination offered must be approved by the department as
253 substantially equivalent to the requirements of this part and s.
254 455.217; or

255 (b) Holds a valid license to practice water damage
256 restoration issued by another state or territory of the United
257 States if the criteria for issuance of the license were
258 substantially the same as the licensure criteria established by
259 this part as determined by the department.

260 (4) The department may not issue a license by endorsement
261 to any applicant who is under investigation in another state for

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262 any act that would constitute a violation of this part or
263 chapter 455 until such time as the investigation is complete and
264 disciplinary proceedings have been terminated.

265 Section 8. Section 468.9415, Florida Statutes, is created
266 to read:

267 468.9415 Renewal of license.—

268 (1) The department shall renew a license upon receipt of
269 the renewal application and fee and upon certification by the
270 department that the licensee has satisfactorily completed the
271 continuing education requirements of s. 468.9416.

272 (2) The department shall adopt rules establishing a
273 procedure for the biennial renewal of licenses.

274 Section 9. Section 468.9416, Florida Statutes, is created
275 to read:

276 468.9416 Continuing education.—

277 (1) The department may not renew a license until the
278 licensee submits satisfactory proof that during the 2-year
279 period before his or her application for renewal, the licensee
280 completed at least 14 hours of continuing education. Criteria
281 and course content must be approved by the department by rule.

282 (2) The department may prescribe by rule additional
283 continuing professional education hours, not to exceed 25
284 percent of the total hours required, for a licensee's failure to
285 complete the hours required for renewal by the end of the
286 renewal period.

287 Section 10. Section 468.9417, Florida Statutes, is created
288 to read:

289 468.9417 Inactive license.—

290 (1) A licensee may request that his or her license be

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291 placed in an inactive status by making application to the
292 department.

293 (2) A license that becomes inactive may be reactivated upon
294 application to the department. The department may prescribe by
295 rule continuing education requirements as a condition of
296 reactivating a license. The rules may not require more than one
297 renewal cycle of continuing education to reactivate a license.

298 (3) The department shall adopt rules relating to licenses
299 that have become inactive and for the renewal of inactive
300 licenses. The department shall prescribe by rule a fee not to
301 exceed \$200 for the reactivation of an inactive license and a
302 fee not to exceed \$200 for the renewal of an inactive license.

303 Section 11. Section 468.9418, Florida Statutes, is created
304 to read:

305 468.9418 Certification of partnerships and corporations.-
306 The practice of or the offer to practice water damage
307 restoration by licensees through a corporation or partnership
308 offering water damage restoration to the public, or by a
309 corporation or partnership offering such services to the public
310 through licensees under this part as agents, employees,
311 officers, or partners, is permitted subject to the provisions of
312 this part. This section may not be construed to allow a
313 corporation to hold a license to practice water damage
314 restoration. A corporation or partnership may not be relieved of
315 responsibility for the conduct or acts of its agents, employees,
316 officers, or partners by reason of its compliance with this
317 section, nor may any individual practicing water damage
318 restoration be relieved of responsibility for professional
319 services performed by reason of his or her employment or

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320 relationship with a corporation or partnership.

321 Section 12. Section 468.9419, Florida Statutes, is created
322 to read:

323 468.9419 Prohibitions; penalties.—

324 (1) A person may not:

325 (a) Effective January 1, 2018, perform or offer to perform
326 any water damage restoration unless the person is licensed as a
327 professional water damage restorer under this part.

328 (b) Effective January 1, 2018, perform or offer to perform
329 any water damage restoration unless the person has complied with
330 the provisions of this part.

331 (c) Use the name or title "certified water damage
332 restorer," "registered water damage restorer," "licensed water
333 damage restorer," "water damage restorer," "professional water
334 damage restorer," or any combination thereof unless the person
335 has complied with the provisions of this part.

336 (d) Remediate for a fee any property in which the
337 professional water damage restorer or the professional water
338 damage restorer's company has any financial or transfer
339 interest.

340 (2) Any person who violates any provision of this section
341 commits:

342 (a) A misdemeanor of the second degree for a first
343 violation, punishable as provided in s. 775.082 or s. 775.083.

344 (b) A misdemeanor of the first degree for a second
345 violation, punishable as provided in s. 775.082 or s. 775.083.

346 (c) A felony of the third degree for a third or subsequent
347 violation, punishable as provided in s. 775.082, s. 775.083, or
348 s. 775.084.

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349 (3) This section does not apply to unlicensed activity that
350 occurs before January 1, 2018.

351 Section 13. Section 468.942, Florida Statutes, is created
352 to read:

353 468.942 Disciplinary proceedings.—

354 (1) The following acts constitute grounds for which the
355 disciplinary actions in subsection (2) may be taken:

356 (a) Violation of any provision of this part or s.
357 455.227(1).

358 (b) Attempting to procure a license to practice water
359 damage restoration by bribery or fraudulent misrepresentations.

360 (c) Having a license to practice water damage restoration
361 revoked, suspended, or otherwise acted against, including the
362 denial of licensure, by the licensing authority of another
363 state, territory, or country.

364 (d) Being convicted or found guilty of, or entering a plea
365 of nolo contendere to, regardless of adjudication, a crime in
366 any jurisdiction that directly relates to the practice of water
367 damage restoration or the ability to practice water damage
368 restoration.

369 (e) Making or filing a report or record that the licensee
370 knows to be false, willfully failing to file a report or record
371 required by state or federal law, willfully impeding or
372 obstructing such filing, or inducing another person to impede or
373 obstruct such filing. Such reports or records may include only
374 those that are signed in the capacity of a professional water
375 damage restorer.

376 (f) Advertising goods or services in a manner that is
377 fraudulent, false, deceptive, or misleading in form or content.

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378 (g) Engaging in fraud or deceit, or negligence,
379 incompetency, or misconduct, in the practice of water damage
380 restoration.

381 (h) Failing to perform any statutory or legal obligation
382 placed upon a professional water damage restorer; violating any
383 provision of this chapter, a rule of the department, or a lawful
384 order of the department previously entered in a disciplinary
385 hearing; or failing to comply with a lawfully issued subpoena of
386 the department.

387 (i) Practicing on a revoked, suspended, inactive, or
388 delinquent license.

389 (j) Failing to meet any standard of practice adopted by
390 rule of the department.

391 (2) When the department finds any professional water damage
392 restorer committed any of the grounds set forth in subsection
393 (1), it may enter an order imposing one or more of the following
394 penalties:

395 (a) Denial of an application for licensure.

396 (b) Revocation or suspension of a license.

397 (c) Imposition of an administrative fine not to exceed
398 \$5,000 for each count or separate offense.

399 (d) Issuance of a reprimand.

400 (e) Placement of the professional water damage restorer on
401 probation for a period of time and subject to such conditions as
402 the department may specify.

403 (f) Restriction of the professional water damage restorer's
404 authorized scope of practice.

405 (3) In addition to any other sanction imposed under this
406 part, in any final order that imposes sanctions, the department

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407 may assess costs related to the investigation and prosecution of
408 the case.

409 Section 14. Section 468.9421, Florida Statutes, is created
410 to read:

411 468.9421 Required insurance.—A professional water damage
412 restorer shall maintain general liability and errors and
413 omissions insurance coverage of at least \$1 million.

414 Section 15. Section 468.9422, Florida Statutes, is created
415 to read:

416 468.9422 Contracts.—A contract to perform water damage
417 restoration must be in a document or electronic record, signed
418 or otherwise authenticated by the parties.

419 Section 16. Section 468.9423, Florida Statutes, is created
420 to read:

421 468.9423 Grandfather clause.—

422 (1) A person who performs water damage restoration as
423 defined in this part may qualify for licensure by the department
424 as a professional water damage restorer if the person submits
425 his or her application to the department by September 1, 2017,
426 whether postmarked or delivered by that date, and if the person,
427 at the time of application, has at least 3 years of experience
428 as a professional water damage restorer. To establish the 3
429 years of experience, an applicant must submit at least 40 water
430 damage restoration invoices prepared by the applicant.

431 (2) The department may investigate the validity of a water
432 damage restoration invoice submitted under subsection (1) and,
433 if the applicant submits a false assessment or invoice, may take
434 disciplinary action against the applicant under s. 468.942(1)(e)
435 or (g).

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436 (3) An applicant may not qualify for licensure under this
437 section if he or she has had a professional water damage
438 restorer license or a license in any related field revoked at
439 any time or suspended within the previous 5 years or has been
440 assessed a fine that exceeds \$500 within the previous 5 years.
441 For purposes of this subsection, a license in a related field
442 includes, but is not limited to, licensure in real estate,
443 construction, home inspection, building code administration or
444 inspection, or indoor air quality.

445 (4) An applicant for licensure under this section must
446 comply with the good moral character and insurance requirements
447 of this part. An applicant may not qualify for licensure under
448 this section if the department finds that the applicant lacks
449 good moral character pursuant to s. 468.9413(4) as a result of
450 the applicant's criminal history record.

451 Section 17. Section 468.9424, Florida Statutes, is created
452 to read:

453 468.9424 Rulemaking authority.—The department shall adopt
454 rules to administer this part.

455 Section 18. Subsection (11) is added to section 627.062,
456 Florida Statutes, to read:

457 627.062 Rate standards.—

458 (11) Attorney fees and costs paid by a property insurer
459 pursuant to s. 627.428 may not be included in the property
460 insurer's rate base and may not be used to justify a rate or
461 rate change.

462 Section 19. Section 627.422, Florida Statutes, is amended
463 to read:

464 627.422 Assignment of policies or post-loss benefits.—A

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465 policy may be assignable, or not assignable, as provided by its
466 terms.

467 (1) LIFE OR HEALTH INSURANCE POLICIES.—Subject to its terms
468 relating to assignability, any life or health insurance policy
469 under the terms of which the beneficiary may be changed upon the
470 sole request of the policyowner may be assigned either by pledge
471 or transfer of title, by an assignment executed by the
472 policyowner alone and delivered to the insurer, whether or not
473 the pledgee or assignee is the insurer. Any such assignment
474 shall entitle the insurer to deal with the assignee as the owner
475 or pledgee of the policy in accordance with the terms of the
476 assignment, until the insurer has received at its home office
477 written notice of termination of the assignment or pledge or
478 written notice by or on behalf of some other person claiming
479 some interest in the policy in conflict with the assignment.

480 (2) POST-LOSS BENEFITS UNDER CERTAIN PROPERTY INSURANCE
481 POLICIES.—A personal lines residential property insurance
482 policy, a commercial residential property insurance policy, or a
483 commercial property insurance policy may not prohibit the post-
484 loss assignment of benefits. This subsection does not affect the
485 assignment of benefits in other insurance policies.

486 (a) An agreement to assign post-loss benefits under this
487 subsection is not valid unless the agreement:

488 1. Is in writing between the policyholder and assignee and
489 is delivered to the insurer as provided in paragraph (c);

490 2. Is limited to claims for work performed or to be
491 performed by the assignee for damages claimed to be covered;

492 3. Allows the policyholder to unilaterally rescind the
493 assignment of post-loss benefits within 5 days after the

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494 execution of the assignment by an insured; provided, however,
495 that the policyholder or insurer may be responsible for payment
496 for work already performed during such period; and

497 4. Contains an accurate and up-to-date statement of the
498 scope of work to be performed.

499 (b) An assignee of post-loss benefits under this
500 subsection:

501 1. Must provide the policyholder with accurate and up-to-
502 date revised statements of the scope of work to be performed as
503 supplemental or additional repairs are required, and must
504 provide to the policyholder and insurer a final invoice and bill
505 for service rendered within 7 business days after the date of
506 submission of the final invoice or bill;

507 2. Must guarantee to the policyholder that the work
508 performed conforms to current and accepted industry standards;

509 3. May not charge the policyholder more than the applicable
510 deductible contained in the policy unless the policyholder opts
511 for additional work at the policyholder's own expense;

512 4. May not charge the policyholder directly, except for
513 additional work not covered under the policy, including:

514 a. Work performed that is rightfully denied as not covered;
515 and

516 b. Betterments or additional work not part of the loss.

517 5. May not pay referral fees totaling more than \$750 in
518 connection with the assignment; and

519 6. For water damage claims:

520 a. Must be licensed in good standing under part XVII of
521 chapter 468 to perform any work requiring such a license.

522 b. Must verify that any vendor it contracts with to perform

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523 work meets the license requirements of sub-subparagraph a.

524 (c) An insurer shall provide on its website and in the
525 policy its contact information for receiving the agreement that
526 meets the requirements of paragraph (a) and which must include
527 at least a dedicated facsimile number. After executing the
528 assignment agreement, the assignee must deliver the agreement to
529 the insurer within the later of:

530 1. If a state of emergency was declared under s. 252.36 for
531 a hurricane or other natural disaster and the property covered
532 under the policy was damaged as a result of the hurricane or
533 natural disaster, 7 days after the state of emergency is
534 terminated; or

535 2. Seven business days after execution of the agreement.

536 (d) Notwithstanding s. 627.70131, upon receiving the
537 agreement in paragraph (a), the insurer must make any initial
538 inspections of the covered property within the later of:

539 1. If a state of emergency was declared under s. 252.36 for
540 a hurricane or other natural disaster and the property covered
541 under the policy was damaged as a result of the hurricane or
542 natural disaster, 7 days after the state of emergency is
543 terminated; or

544 2. Seven business days after receiving the agreement.

545 (e) No later than 7 days before an insured or assignee
546 initiates litigation against an insurer relating to a denied or
547 limited claim, the insured or assignee must provide the insurer
548 with notice of intent to initiate such litigation. The notice of
549 intent must include a copy of the final invoice required under
550 subparagraph (b)1. This paragraph does not increase the time
551 periods prescribed in s. 627.70131.

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552 (3) ANNUAL REPORT.—The office shall require each insurer to
553 report by January 1, 2019, and each year thereafter, data on
554 each claim paid in the prior calendar year pursuant to an
555 assignment agreement. Such data must include, but are not
556 limited to:

557 (a) The number of days between the first notice of loss and
558 the initial inspection.

559 (b) Loss severity.

560 (c) Allocated loss adjustment expense.

561 (d) For litigated claims:

562 1. Any amount paid before litigation, the amount in
563 dispute, the amount of any proposal for settlement, and the
564 settlement or judgment amount;

565 2. The amount of fees paid to the claimant's attorney; and

566 3. The amount and structure, whether fixed, hourly, or
567 contingency, of fees paid to the insurer's attorney.

568
569 All information the insurer reports under this paragraph must
570 first be reported to the opposing counsel on the litigated claim
571 for verification or certification. The opposing counsel on the
572 litigated claim shall report to the office its agreement or
573 disagreement with the accuracy of the figures reported.

574 (e) For nonlitigated claims, the difference between the
575 insurer's initial offer and the amount paid on the claim.

576 (f) The time from first notice of loss until the claim was
577 closed.

578 (g) For claims involving water damage, whether the adjuster
579 possessed licensure consistent with the requirements in
580 subparagraph (2) (b) 6.

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581 Section 20. The amendments made by this act to s. 627.422,
582 Florida Statutes, apply to assignment agreements entered on or
583 after January 1, 2018.

584 Section 21. Paragraph (a) of subsection (3) of section
585 627.7011, Florida Statutes, is amended to read:

586 627.7011 Homeowners' policies; offer of replacement cost
587 coverage and law and ordinance coverage.—

588 (3) In the event of a loss for which a dwelling or personal
589 property is insured on the basis of replacement costs:

590 (a) For a dwelling:7

591 1. The insurer must initially pay at least the actual cash
592 value of the insured loss, less any applicable deductible. The
593 insurer shall pay any remaining amounts necessary to perform
594 such repairs as work is performed and expenses are incurred. If
595 a total loss of a dwelling occurs, the insurer shall pay the
596 replacement cost coverage without reservation or holdback of any
597 depreciation in value, pursuant to s. 627.702.

598 2. The insurer may not require that a particular vendor
599 make repairs to such dwelling.

600 3. The insurer may not, unless expressly requested by the
601 insured, recommend or suggest a particular vendor for repairs to
602 be made to such dwelling.

603 Section 22. This act shall take effect January 1, 2018.