



469254

LEGISLATIVE ACTION

Senate

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House

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The Committee on Banking and Insurance (Thurston) recommended the following:

1           **Senate Substitute for Amendment (923034) (with title**  
2 **amendment)**

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4           Delete everything after the enacting clause  
5 and insert:

6           Section 1. Section 627.7152, Florida Statutes, is created  
7 to read:

8           627.7152 Assignment of residential homeowner's property  
9 insurance post-loss benefits.—

10           (1) An agreement to assign post-loss benefits of a



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11 residential homeowner's property insurance policy is not valid  
12 unless the agreement:

13 (a) Is in writing;

14 (b) Is limited to claims for work performed or work to be  
15 performed by the assignee to protect or repair property from  
16 damage, including, but not limited to, work to stabilize,  
17 protect, repair, or improve such property;

18 (c) Allows the insured to rescind the assignment within 3  
19 days after the execution of the assignment without a penalty or  
20 fee;

21 (d) Contains the following notice in 14-point bold type to  
22 the consumer:

23  
24 "WARNING: IF YOU HAVE RESIDENTIAL HOMEOWNERS PROPERTY  
25 INSURANCE, YOU MAY BE AGREEING TO GIVE UP CERTAIN  
26 RIGHTS YOU HAVE UNDER YOUR INSURANCE POLICY TO A THIRD  
27 PARTY. PLEASE READ AND UNDERSTAND THIS DOCUMENT BEFORE  
28 SIGNING IT. WITH THE EXCEPTION OF PAYMENT FOR WORK  
29 ALREADY PERFORMED BY A SERVICE PROVIDER TO PREVENT  
30 ADDITIONAL DAMAGE FROM OCCURRING TO THE PROPERTY  
31 RESULTING FROM EMERGENCY OR URGENT CIRCUMSTANCES, YOU  
32 HAVE THE RIGHT TO RESCIND THIS AGREEMENT WITHOUT  
33 PENALTY WITHIN 3 BUSINESS DAYS AFTER THE DATE THIS  
34 AGREEMENT IS EXECUTED. IF THE ASSIGNMENT IS RESCINDED,  
35 YOU ARE RESPONSIBLE TO PAY FOR THE WORK DONE UP TO THE  
36 DATE OF THE RESCISSION AND YOU ARE NOT OTHERWISE  
37 RESPONSIBLE TO PAY FOR THE WORK COVERED BY THE  
38 ASSIGNMENT. IF WORK IS BEING PERFORMED AS A RESULT OF  
39 DAMAGES CAUSED BY AN EVENT FOR WHICH THE GOVERNOR HAS



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40 DECLARED A STATE OF EMERGENCY AND IS WITHIN 1 YEAR  
41 AFTER SUCH DECLARATION, THE 3 BUSINESS DAY PERIOD TO  
42 RESCIND THIS AGREEMENT IS EXTENDED TO 5 BUSINESS DAYS.  
43 THIS AGREEMENT DOES NOT CHANGE YOUR DUTIES UNDER YOUR  
44 PROPERTY INSURANCE POLICY, SUCH AS PROMPTLY NOTIFYING  
45 YOUR INSURANCE COMPANY OF A LOSS AND MITIGATING YOUR  
46 PROPERTY FROM FURTHER DAMAGE.

47  
48 (2) The assignee shall provide a copy of the assignment  
49 agreement to the insurer within 5 days after execution of the  
50 agreement, or within 48 hours after beginning nonemergency work,  
51 whichever is earlier, if the insurer has a facsimile number and  
52 email address on its website designated for the delivery of such  
53 documents. This assignment agreement must be accompanied by a  
54 written estimate of the work to be done, with unit prices  
55 indicated where appropriate, and the basis for calculating lump  
56 sum fees if unit prices are inappropriate. The estimate must be  
57 timely updated if conditions require a change in scope. The  
58 failure to comply with this requirement constitutes a defense to  
59 any payment obligation under the policy or the assignment, if  
60 the insurer can establish prejudice resulting from the failure.

61 (3) Before emergency work commences, the remediator,  
62 contractor, or other service provider must inform the homeowner  
63 in writing of the obvious conditions that require priority  
64 repairs and mitigation, including, but not limited to, flooding  
65 or standing water, exposed electrical wiring, a hole or breach  
66 in the roof or an exterior wall, or significant foundation  
67 cracks.

68 (4) The insurer may inspect the property at any time. If



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69 the insurer fails to attempt in good faith to do so within 5  
70 days after receiving a copy of the assignment agreement  
71 described in subsection (2) and to promptly deliver to the  
72 assignee written notice of any perceived deficiency in the  
73 assignee's notice or the work being performed, the failure may  
74 be raised to estop the insurer from asserting that work done was  
75 not reasonably necessary or that the notice was insufficient to  
76 comply with this section.

77 (5) Notwithstanding any other law, the acceptance by a  
78 person of any assignment agreement constitutes a waiver by the  
79 assignee or transferee, and any subcontractor of the assignee or  
80 transferee, of any and all claims against all named insureds for  
81 payment arising from the specified loss, except that all named  
82 insureds remain responsible for the payment of any deductible  
83 amount provided for by the terms of the insurance policy and for  
84 the cost of any betterment ordered by all named insureds. This  
85 waiver remains in effect notwithstanding any subsequent  
86 determination that the assignment agreement is invalid or  
87 notwithstanding the rescission of the assignment agreement by  
88 all named insureds, except that the assignee is entitled to  
89 payment for the reasonable cost of any contracted work performed  
90 before the assignor rescinded the assignment agreement.

91 Section 2. This act shall take effect July 1, 2019.

92  
93 ===== T I T L E A M E N D M E N T =====

94 And the title is amended as follows:

95 Delete everything before the enacting clause  
96 and insert:

97 A bill to be entitled



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98 An act relating to assignment of residential  
99 homeowners property insurance post-loss benefits;  
100 creating s. 627.7152, F.S.; providing that an  
101 agreement to assign post-loss benefits of a  
102 residential homeowner's property insurance policy is  
103 not valid unless specified conditions are met;  
104 requiring the assignee to provide a copy of the  
105 assignment agreement and a specified written estimate  
106 to the insurer within a specified timeframe; requiring  
107 the estimate to be timely updated if conditions  
108 require a change in scope; providing construction  
109 relating to failure to comply with such requirement;  
110 requiring service providers to inform homeowners of  
111 certain conditions before commencing emergency work;  
112 authorizing insurers to inspect the property at any  
113 time; providing construction if an insurer fails to  
114 attempt in good faith to inspect the property within a  
115 certain timeframe; providing that a person's  
116 acceptance of an assignment agreement constitutes a  
117 waiver by the assignee or transferee, or any  
118 subcontractor of the assignee or transferee, of  
119 certain claims against named insureds, except under  
120 specified circumstances; providing construction  
121 relating to such waiver; providing an effective date.