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LEGISLATIVE ACTION

Senate

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House

Senator Pizzo moved the following:

Senate Amendment (with title amendment)

Delete lines 452 - 526

and insert:

transacting property insurance business in this state shall be
subject to an additional market conduct examination after a
hurricane if the insurer:

(a) Is among the top 20 percent of insurers based upon a
calculation of the ratio of hurricane-related property insurance
claims filed to the number of property insurance policies in
force;



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(b) Is among the top 20 percent of insurers based upon a calculation of the ratio of consumer complaints made to the department to hurricane-related claims;

(c) Has made significant payments to its managing general agent since the hurricane; or

(d) Is identified by the office as necessitating a market conduct exam for any other reason.

All relevant criteria under this section and s. 624.316 shall be applied to the market conduct examination under this subsection. Such an examination must be initiated within 18 months after the landfall of a hurricane that results in an executive order or a state of emergency issued by the Governor. An examination of an insurer under this subsection must also include an examination of its managing general agent as if it were the insurer.

Section 4. Paragraph (c) of subsection (2) of section 624.418, Florida Statutes, is amended to read:

624.418 Suspension, revocation of certificate of authority for violations and special grounds.—

(2) The office may, in its discretion, suspend or revoke the certificate of authority of an insurer if it finds that the insurer:

(c) Has for any line, class, or combination thereof, with such frequency as to indicate its general business practice in this state, without just cause:

1. Refused to pay proper claims arising under its policies, whether any such claim is in favor of an insured or is in favor of a third person with respect to the liability of an insured to such third person, or without just cause compels such insureds



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or claimants to accept less than the amount due them or to employ attorneys or to bring suit against the insurer or such an insured to secure full payment or settlement of such claims; or

2. Compelled insureds to participate in appraisal under a property insurance policy in order to secure full payment or settlement of such claims.

Section 5. Paragraph (a) of subsection (10) and subsection (11) of section 624.424, Florida Statutes, are amended to read:
624.424 Annual statement and other information.—

(10)(a) Each insurer or insurer group doing business in this state shall file on a quarterly basis in conjunction with financial reports required by paragraph (1)(a) a supplemental report on an individual and group basis on a form prescribed by the commission with information on personal lines and commercial lines residential property insurance policies in this state. The supplemental report shall include separate information for personal lines property policies and for commercial lines property policies and totals for each item specified, including premiums written for each of the property lines of business as described in ss. 215.555(2)(c) and 627.351(6)(a). The report shall include the following information for each county on a monthly basis:

1. Total number of policies in force at the end of each month.
2. Total number of policies canceled.
3. Total number of policies nonrenewed.
4. Number of policies canceled due to hurricane risk.
5. Number of policies nonrenewed due to hurricane risk.
6. Number of new policies written.



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70 7. Total dollar value of structure exposure under policies
71 that include wind coverage.

72 8. Number of policies that exclude wind coverage.

73 9. Number of claims open each month.

74 10. Number of claims closed each month.

75 11. Number of claims pending each month.

76 12. Number of claims in which either the insurer or insured
77 invoked any form of alternative dispute resolution, which party
78 invoked alternative dispute resolution, and specifying which
79 form of alternative dispute resolution was used.

80 13. Number of policies canceled or not renewed while a
81 claim is pending.

82 (11) Beginning January 1, 2022, each authorized insurer or
83 insurer group issuing personal lines or commercial lines
84 residential property insurance policies in this state shall file
85 with the office on an annual basis in conjunction with the
86 statements required by paragraph (1)(a) a supplemental report on
87 an individual and group basis for closed claims. The office
88 shall compile the data for each insurer or insurer group on a
89 statewide basis and make such data publicly available on its
90 website monthly. Such information, when aggregated on a
91 statewide basis as to an individual insurer or insurer group, is
92 not a trade secret as defined in s. 688.002(4) or s. 812.081 and
93 is not subject to the public records exemption for trade secrets
94 provided in s. 119.0715. The report must be on a form prescribed
95 by the commission and must include the following information for
96 each claim closed, excluding liability only claims, within the
97 reporting period in this state:

98 (a) The unique claim identification number.



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- 99 (b) The type of policy.
- 100 (c) The zip code of the property where the claim occurred.
- 101 (d) The county where the claim occurred.
- 102 (e) The date of loss.
- 103 (f) The peril or type of loss, including information about:
- 104 1. The types of vendors used for mitigation, repair, or
- 105 replacement; and
- 106 2. The names of vendors used, if known.
- 107 (g) The date the claim was reported to insurer.
- 108 (h) The initial date the claim was closed, including
- 109 information about whether the claim was closed with or without
- 110 payment.
- 111 (i) The date the claim was most recently reopened, if
- 112 applicable.
- 113 (j) The date a supplemental claim was filed, if applicable.
- 114 (k) The date the claim was most recently closed, if
- 115 different from the initial date the claim was closed.
- 116 (l) The name of the public adjuster on the claim, if any.
- 117 (m) The Florida Bar number and name of the attorney for the
- 118 claimant, if any.
- 119 (n) The total indemnity paid by the insurer.
- 120 (o) The total loss adjustment expenses paid by the insurer.
- 121 (p) The amount paid for claimant's attorney fees, if any.
- 122 (q) The amount paid in costs for claimant's attorney's
- 123 expenses, including, but not limited to, expert witness fees.
- 124 (r) The contingency risk multiplier, if any, that the
- 125 claimant's attorney requested to be applied in calculating the
- 126 attorney fees awarded to the claimant's attorney.
- 127 (s) The contingency risk multiplier, if any, that a court



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applied in calculating the attorney fees awarded to the
claimant's attorney.

(t) Data submitted to the Department of Financial Services
by each claimant and each insurer or insurer group pursuant to
ss. 627.70152(3) and (4).

(u) Any other information deemed necessary by the
commission to provide the office with the ability to track
litigation and claims trends occurring in the property market.

===== T I T L E A M E N D M E N T =====
And the title is amended as follows:

Delete lines 32 - 41
and insert:

insurers shall be subject to an additional market
conduct examination by the Office of Insurance
Regulation after a hurricane under certain
circumstances; providing requirements for such
examination; amending s. 624.418, F.S.; adding
specified grounds on which the office may suspend or
revoke a property insurer's certificate of authority;
amending s. 624.424, F.S.; adding information required
to be reported by property insurers in their quarterly
supplemental reports; requiring the office to compile
certain insurer information and make such data
publicly available; specifying that such data is not a
trade secret; amending s. 626.9373, F.S.;