



THE FLORIDA SENATE
SENATOR KATHLEEN PASSIDOMO
President

MEMORANDUM

TO: All Senators
FROM: Kathleen Passidomo
SUBJECT: Constituent Information: Property Insurance Claim Transparency
DATE: October 11, 2024

The impacts of Hurricanes Debby, Helene and Milton have been tremendous. So many have lost so much. Hundreds of thousands of our constituents are assessing damages and are in the midst of or preparing to begin the process of filing a property insurance claim. I know from personal experience the claims process can be overwhelming. In recent years, the Legislature and Governor have taken strong actions to protect policyholders after hurricanes. I want to make sure all of our constituents are aware of these protections, so they know what to expect in the difficult weeks ahead.

Specifically, the Legislature and Governor DeSantis worked to strengthen the Unfair Insurance Trade Practices Act by prohibiting alteration or amendment of an adjuster's report without providing a detailed explanation as to why any change that reduces the estimate of the loss was made. Other actions to protect policyholders include requiring insurers to more promptly make claim determinations, requiring the Office of Insurance Regulation (OIR) to investigate the market conduct of certain insurers after each hurricane, and subjecting insurers to increased fines for violations of the Insurance Code. The Legislature also outlawed assignment of benefits arrangements previously used by unscrupulous contractors to take advantage of homeowners.

I have included some of this important information in the following pages. I hope you will find this to be a useful tool for communicating with constituents who are navigating a property insurance claim.

Property Insurance Claim Transparency

Right to a Detailed Estimate of Losses Within 7 Days

- Insurers must notify policyholders they can request a copy of any detailed estimate of the amount of the loss determined by the insurance adjuster. (SB 2D – 2022)
 - The insurer must send the detailed estimate to the policyholder within seven days.
 - Insurers must provide a reasonable explanation in writing of the basis for the payment, denial, or partial denial of a claim.

Right to Notice of Change in Adjuster Report

- Insurance companies are prohibited from altering or amending an adjuster’s report without providing a detailed explanation as to why any change was made if the change reduces the estimate of the loss. The insurer must also either create a list of changes and who made the change or retain all versions of the report. (SB 7052 – 2023)

Prohibition on Cancelling Unrepaired Property

- An insurance company may not cancel a property insurance policy during any pending claim for a period of 90 days after the residential property is repaired if the damage was the result of a hurricane or wind loss that is the subject of declarations of emergency.

Claim Handling Requirements

- Insurance companies are required to follow proper claims handling practices, which include timely communication, timely payment, using only licensed and duly appointed claims adjusters, maintaining reasonable claims records, and adhering to the company’s claims-handling manual. Failure to adhere to these standards should be reported to the DFS for investigation. (SB 7052 – 2023)
 - Within 60 days of notification of a claim, insurance companies must provide payment, partial payment, or denial of a claim. (2A – 2022). If the claim payment is less than specified in the detailed estimate, the insurer must provide a reasonable explanation of the difference.
- SB 7052 increased the amount of fines for knowing and willful violations stemming from a state of emergency like a hurricane from \$40,000 to \$200,000.

Hurricane Deductibles

- Each personal residential insurance policy lists a separate, higher, deductible for damages that occur during a hurricane. Constituents who suffer losses from multiple hurricanes in the same coverage year should not pay a second hurricane deductible. After the hurricane deductible is paid once during the coverage period, subsequent damages are covered by the “all other perils” deductible.

Assignment of Benefits Contracts are Invalid and Unenforceable in Florida

- Homeowners should beware of contractors seeking “assignment of benefit” or “direct payment” arrangements, which are invalid and unenforceable in Florida. (SB 2A – 2022)

Tips for Choosing a Contractor

- **Verify Valid License** – To determine if a contractor has a valid, active Florida license, visit MyFloridaLicense.com.
- **Consider Contractor Reputation** – Check for any violations or existing complaints against the contractor at BBB.org.
- **Check Workers’ Compensation Coverage** – Contractors must have proof of Workers’ Compensation coverage or a Workers’ Compensation Exemption found. Click [HERE](#) to verify.

Report Fraud Immediately – If you or someone you know is suspicious of fraud, please report it immediately at FraudFreeFlorida.com.

Additional Resources

- Office of the Insurance Consumer Advocate
 - (850) 413-5923
 - YourFLVoice@MyFloridaCFO.com
- Department of Financial Services
 - [“What to Expect After Filing a Homeowners Claim”](#)
 - Insurance Consumer Helpline: 1-877-693-5236 or go to: [eService Home Page \(fldfs.com\)](http://eService.HomePage(fldfs.com))

Florida Statutes Provide for a Homeowner Claims Bill of Rights (Section 627.7142, F.S.)

Homeowner Claims Bill of Rights

This Bill of Rights is specific to the claims process and does not represent all of your rights under Florida law regarding your policy. There are also exceptions to the stated timelines when conditions are beyond your insurance company’s control. This document does not create a civil cause of action by an individual policyholder, or a class of policyholders, against an insurer or insurers and does not prohibit an insurer from exercising its right to repair damaged property in compliance with the terms of an applicable policy.

YOU HAVE THE RIGHT TO:

1. Receive from your insurance company an acknowledgment of your reported claim within 7 days after the time you communicated the claim.

2. Upon written request, receive from your insurance company within 30 days after you have submitted a complete proof-of-loss statement to your insurance company, confirmation that your claim is covered in full, partially covered, or denied, or receive a written statement that your claim is being investigated.
3. Receive from your insurance company a copy of any detailed estimate of the amount of the loss within 7 days after the estimate is generated by the insurance company's adjuster.
4. Within 60 days, subject to any dual interest noted in the policy, receive full settlement payment for your claim or payment of the undisputed portion of your claim, or your insurance company's denial of your claim.
5. Receive payment of interest, as provided in s. [627.70131](#), Florida Statutes, from your insurance company, which begins accruing from the date your claim is filed if your insurance company does not pay full settlement of your initial, reopened, or supplemental claim or the undisputed portion of your claim or does not deny your claim within 60 days after your claim is filed. The interest, if applicable, must be paid when your claim or the undisputed portion of your claim is paid.
6. Free mediation of your disputed claim by the Florida Department of Financial Services, Division of Consumer Services, under most circumstances and subject to certain restrictions.
7. Neutral evaluation of your disputed claim, if your claim is for damage caused by a sinkhole and is covered by your policy.
8. Contact the Florida Department of Financial Services, Division of Consumer Services' toll-free helpline for assistance with any insurance claim or questions pertaining to the handling of your claim. You can reach the Helpline by phone at 1-877-693-5236, or you can seek assistance online at the Florida Department of Financial Services, Division of Consumer Services' website at myfloridacfo.com/division/consumers/.

YOU ARE ADVISED TO:

1. File all claims directly with your insurance company.
2. Contact your insurance company before entering into any contract for repairs to confirm any managed repair policy provisions or optional preferred vendors.
3. Make and document emergency repairs that are necessary to prevent further damage. Keep the damaged property, if feasible, keep all receipts, and take photographs or video of damage before and after any repairs to provide to your insurer.

4. Carefully read any contract that requires you to pay out-of-pocket expenses or a fee that is based on a percentage of the insurance proceeds that you will receive for repairing or replacing your property.
5. Confirm that the contractor you choose is licensed to do business in Florida. You can verify ([MyFloridaLicense.com](https://www.myfloridalicense.com)) a contractor's license and check to see if there are any complaints against him or her by calling the Florida Department of Business and Professional Regulation. You should also ask the contractor for references from previous work.
6. Require all contractors to provide proof of insurance before beginning repairs.
7. Take precautions if the damage requires you to leave your home, including securing your property and turning off your gas, water, and electricity, and contacting your insurance company and provide a phone number where you can be reached.