

Bill No. CS for CS for SB 1488

Barcode 445952

CHAMBER ACTION

Senate

House

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Senator Garcia moved the following amendment:

Senate Amendment (with title amendment)

On page 56, line 19, through
page 57, line 8, delete those lines

and insert:

Section 14. Effective July 1, 2005, subsections (1)
and (7) of section 627.7015, Florida Statutes, are amended,
and subsection (2) of that section is reenacted, to read:

627.7015 Alternative procedure for resolution of
disputed property insurance claims.--

(1) PURPOSE AND SCOPE.--This section sets forth a
nonadversarial alternative dispute resolution procedure for a
mediated claim resolution conference prompted by the need for
effective, fair, and timely handling of property insurance
claims. There is a particular need for an informal,
nonthreatening forum for helping parties who elect this
procedure to resolve their claims disputes because most
homeowner's and commercial residential insurance policies
obligate insureds to participate in a potentially expensive

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1 and time-consuming adversarial appraisal process prior to
 2 litigation. The procedure set forth in this section is
 3 designed to bring the parties together for a mediated claims
 4 settlement conference without any of the trappings or
 5 drawbacks of an adversarial process. Before resorting to these
 6 procedures, insureds and insurers are encouraged to resolve
 7 claims as quickly and fairly as possible. This section is
 8 available with respect to claims under personal lines and
 9 commercial residential policies for all claimants and insurers
 10 prior to commencing the appraisal process, or commencing
 11 litigation. If requested by the insured, participation by
 12 legal counsel shall be permitted. Mediation under this section
 13 is also available to litigants referred to the department by a
 14 county court or circuit court. This section does not apply to
 15 commercial coverages, to private passenger motor vehicle
 16 insurance coverages, or to disputes relating to liability
 17 coverages in policies of property insurance.

18 (2) At the time a first-party claim within the scope
 19 of this section is filed, the insurer shall notify all
 20 first-party claimants of their right to participate in the
 21 mediation program under this section. The department shall
 22 prepare a consumer information pamphlet for distribution to
 23 persons participating in mediation under this section.

24 (7) If the insurer fails to comply with subsection (2)
 25 by failing to notify a first-party claimant of its right to
 26 participate in the mediation program under this section or if
 27 the insurer requests the mediation, and the mediation results
 28 are rejected by either party, the insured shall not be
 29 required to submit to or participate in any contractual loss
 30 appraisal process of the property loss damage as a
 31 precondition to legal action for breach of contract against

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1 the insurer for its failure to pay the policyholder's claims
2 covered by the policy.

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5 ===== T I T L E A M E N D M E N T =====

6 And the title is amended as follows:

7 On page 4, lines 2-6, delete those lines

8

9 and insert:

10 property; amending s. 627.7015, F.S.; revising
11 purpose and scope provisions relating to an
12 alternative procedure for resolution of
13 disputed property insurance claims; providing
14 that failure of an insurer to notify a claimant
15 of the availability of mediation excuses an
16 insured from being required to submit to
17 certain loss appraisal processes; amending s.
18 627.702, F.S.;

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