

By Senator Baker

20-1353-07

1 A bill to be entitled
2 An act relating to alternative procedures for
3 resolving disputed insurance claims; amending
4 s. 627.7015, F.S.; providing a nonadversarial
5 alternative dispute-resolution procedure for
6 handling marine insurance claims; requiring the
7 Department of Financial Services to adopt by
8 rule a marine insurance mediation program to be
9 administered by the department or its designee;
10 requiring that mediators in the case of marine
11 insurance policies be certified by The Florida
12 Bar in admiralty and maritime law; providing an
13 effective date.

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15 Be It Enacted by the Legislature of the State of Florida:

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17 Section 1. Subsections (1) and (4) of section
18 627.7015, Florida Statutes, are amended to read:

19 627.7015 Alternative procedure for resolution of
20 disputed property insurance claims.--

21 (1) PURPOSE AND SCOPE.--This section sets forth a
22 nonadversarial alternative dispute resolution procedure for a
23 mediated claim resolution conference prompted by the need for
24 effective, fair, and timely handling of property and marine
25 insurance claims. There is a particular need for an informal,
26 nonthreatening forum for helping parties who elect this
27 procedure to resolve their claims disputes because most
28 homeowner's, marine insurance, and commercial residential
29 insurance policies obligate insureds to participate in a
30 potentially expensive and time-consuming adversarial appraisal
31 process prior to litigation. The procedure set forth in this

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

17 (4) The department shall adopt by rule a property and
18 marine insurance mediation program to be administered by the
19 department or its designee. The department may also adopt
20 special rules which are applicable in cases of an emergency
21 within the state. The rules shall be modeled after practices
22 and procedures set forth in mediation rules of procedure
23 adopted by the Supreme Court. The rules shall provide for:

24 (a) Reasonable requirement for processing and
25 scheduling of requests for mediation.

26 (b) Qualifications of mediators as provided in s.
27 627.745 and in the Florida Rules of Certified and Court
28 Appointed Mediators, and for such other individuals as are
29 qualified by education, training, or experience as the
30 department determines to be appropriate, except that in the
31 case of marine insurance policies, mediators shall be civil

1 circuit mediators who are also certified by The Florida Bar in
2 admiralty and maritime law.

3 (c) Provisions governing who may attend mediation
4 conferences.

5 (d) Selection of mediators.

6 (e) Criteria for the conduct of mediation conferences.

7 (f) Right to legal counsel.

8 Section 2. This act shall take effect upon becoming a
9 law.

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SENATE SUMMARY

Provides a nonadversarial alternative dispute-resolution procedure for a mediated claim resolution conference for fair and timely handling of marine insurance claims. Requires the Department of Financial Services to adopt by rule a marine insurance mediation program to be administered by the department or its designee. Provides that mediators in the case of marine insurance policies be certified by The Florida Bar in admiralty and maritime law.