

By Senator Gaetz

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1 A bill to be entitled
2 An act relating to insurance; amending s. 626.9541,
3 F.S.; providing that it is an unfair claim settlement
4 practice for an insurer to fail to adopt and implement
5 standards for the proper adjustment of claims with
6 such frequency as to indicate a general business
7 practice; providing an effective date.
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9 Be It Enacted by the Legislature of the State of Florida:
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11 Section 1. Paragraph (i) of subsection (1) of section
12 626.9541, Florida Statutes, is amended to read:

13 626.9541 Unfair methods of competition and unfair or
14 deceptive acts or practices defined.—

15 (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE
16 ACTS.—The following are defined as unfair methods of competition
17 and unfair or deceptive acts or practices:

18 (i) *Unfair claim settlement practices*.—

19 1. Attempting to settle claims on the basis of an
20 application, when serving as a binder or intended to become a
21 part of the policy, or any other material document which was
22 altered without notice to, or knowledge or consent of, the
23 insured;

24 2. A material misrepresentation made to an insured or any
25 other person having an interest in the proceeds payable under
26 such contract or policy, for the purpose and with the intent of
27 effecting settlement of such claims, loss, or damage under such
28 contract or policy on less favorable terms than those provided
29 in, and contemplated by, such contract or policy; or

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30 3. Committing or performing with such frequency as to
31 indicate a general business practice any of the following:

32 a. Failing to adopt and implement standards for the proper
33 investigation and adjustment of claims;

34 b. Misrepresenting pertinent facts or insurance policy
35 provisions relating to coverages at issue;

36 c. Failing to acknowledge and act promptly upon
37 communications with respect to claims;

38 d. Denying claims without conducting reasonable
39 investigations based upon available information;

40 e. Failing to affirm or deny full or partial coverage of
41 claims, and, as to partial coverage, the dollar amount or extent
42 of coverage, or failing to provide a written statement that the
43 claim is being investigated, upon the written request of the
44 insured within 30 days after proof-of-loss statements have been
45 completed;

46 f. Failing to promptly provide a reasonable explanation in
47 writing to the insured of the basis in the insurance policy, in
48 relation to the facts or applicable law, for denial of a claim
49 or for the offer of a compromise settlement;

50 g. Failing to promptly notify the insured of any additional
51 information necessary for the processing of a claim; or

52 h. Failing to clearly explain the nature of the requested
53 information and the reasons why such information is necessary.

54 4. Failing to pay undisputed amounts of partial or full
55 benefits owed under first-party property insurance policies
56 within 90 days after an insurer receives notice of a residential
57 property insurance claim, determines the amounts of partial or
58 full benefits, and agrees to coverage, unless payment of the

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59 undisputed benefits is prevented by an act of God, prevented by
60 the impossibility of performance, or due to actions by the
61 insured or claimant that constitute fraud, lack of cooperation,
62 or intentional misrepresentation regarding the claim for which
63 benefits are owed.

64 Section 2. This act shall take effect July 1, 2009.