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LEGISLATIVE ACTION

Senate

House

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Floor: WD/2R

04/22/2010 11:29 AM

Senator Fasano moved the following:

Senate Amendment (with title amendment)

Between lines 569 and 570

insert:

Section 6. Paragraph (i) of subsection (1) of section 626.9541, Florida Statutes, is amended to read:

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

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

(i) *Unfair claim settlement practices.*—

1. Attempting to settle claims on the basis of an



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14 application, when serving as a binder or intended to become a
15 part of the policy, or any other material document which was
16 altered without notice to, or knowledge or consent of, the
17 insured;

18 2. A material misrepresentation made to an insured or any
19 other person having an interest in the proceeds payable under
20 such contract or policy, for the purpose and with the intent of
21 effecting settlement of such claims, loss, or damage under such
22 contract or policy on less favorable terms than those provided
23 in, and contemplated by, such contract or policy; or

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

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

28 b. Misrepresenting pertinent facts or insurance policy
29 provisions relating to coverages at issue;

30 c. Failing to acknowledge and act promptly upon
31 communications with respect to claims;

32 d. Denying claims without conducting reasonable
33 investigations based upon available information;

34 e. Failing to affirm or deny full or partial coverage of
35 claims, and, as to partial coverage, the dollar amount or extent
36 of coverage, or failing to provide a written statement that the
37 claim is being investigated, upon the written request of the
38 insured within 30 days after proof-of-loss statements have been
39 completed;

40 f. Failing to promptly provide a reasonable explanation in
41 writing to the insured of the basis in the insurance policy, in
42 relation to the facts or applicable law, for denial of a claim



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43 or for the offer of a compromise settlement;

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

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

48 4. Failing to pay undisputed amounts of partial or full benefits
49 owed under first-party property insurance policies within 90
50 days after an insurer receives notice of a residential property
51 insurance claim, determines the amounts of partial or full
52 benefits, and agrees to coverage, unless payment of the
53 undisputed benefits is prevented by an act of God, prevented by
54 the impossibility of performance, or due to actions by the
55 insured or claimant that constitute fraud, lack of cooperation,
56 or intentional misrepresentation regarding the claim for which
57 benefits are owed.

58
59 ===== T I T L E A M E N D M E N T =====

60 And the title is amended as follows:

61 Delete line 28

62 and insert:

63 managing general agents; amending s. 626.9541, F.S.;
64 providing that it is an unfair claim settlement
65 practice for an insurer to fail to adopt and implement
66 standards for the proper adjustment of claims with
67 such frequency as to indicate a general business
68 practice; amending s. 626.9744, F.S.;