

1 A bill to be entitled
 2 An act relating to assignment or transfer of property
 3 insurance rights; amending s. 455.227, F.S.; providing
 4 grounds for the discipline of licensees of various
 5 professions and occupations regulated by the
 6 Department of Business and Professional Regulation;
 7 creating s. 627.70133, F.S.; providing requirements
 8 under a property insurance policy for the post-loss
 9 assignment or transfer of rights, benefits, or policy
 10 provisions not related to liability coverage;
 11 providing requirements for an agreement to assign or
 12 transfer such rights, benefits, or policy provisions;
 13 providing prohibitions and conditions that void such
 14 an agreement; providing applicability; providing an
 15 effective date.

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

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 19 Section 1. Paragraph (v) is added to subsection (1) of
 20 section 455.227, Florida Statutes, to read:

21 455.227 Grounds for discipline; penalties; enforcement.—

22 (1) The following acts shall constitute grounds for which
 23 the disciplinary actions specified in subsection (2) may be
 24 taken:

25 (v) Directly or indirectly offering, delivering,
 26 receiving, or accepting any compensation, inducement, or reward

27 for the referral of any business for which property insurance
28 proceeds are payable.

29 Section 2. Section 627.70133, Florida Statutes, is created
30 to read:

31 627.70133 Assignment of benefits or transfer of rights.—As
32 to property insurance policies, this section governs the post-
33 loss assignment or transfer of rights, benefits, or other policy
34 provisions unrelated to liability coverage to a person or entity
35 other than the named insured. This section does not affect the
36 post-loss assignment or transfer of rights, benefits, or other
37 policy provisions related to liability coverage in the property
38 insurance policy.

39 (1) An agreement entered into under this section to assign
40 or transfer rights, benefits, or policy provisions is void
41 unless:

42 (a) It authorizes a person or entity to be named as a
43 payee or copayee for payment as the only assigned benefit as
44 provided in the policy for services rendered and materials
45 provided to mitigate or repair covered damage only.

46 (b) It is limited to \$2,500 per occurrence for work
47 performed to mitigate or repair covered damage.

48 (c) It is received by the insured's property insurer
49 within 3 business days after execution.

50 (d) It contains an estimate for proposed services and
51 materials to be provided under the agreement.

52 (e) With the exception of reimbursement in a reasonable

53 amount for work actually performed to mitigate or repair covered
54 damage, it allows the insured to cancel the agreement, in
55 writing, without penalty or obligation within 3 business days
56 after the date the agreement is executed or within 3 business
57 days after the insurer has received the agreement, whichever is
58 later. However, if the agreement is executed to perform work
59 resulting from an event for which the Governor has declared a
60 state of emergency and is within 1 year after such declaration,
61 the insured has 5 business days after the date the agreement is
62 executed or 5 business days after the insurer receives the
63 agreement, whichever is later, to cancel the agreement without
64 penalty.

65 (f) It contains the following notice in 14-point type:
66 WARNING: YOU ARE AGREEING TO TRANSFER CERTAIN RIGHTS YOU HAVE
67 UNDER YOUR INSURANCE POLICY TO A THIRD PARTY. PLEASE READ AND
68 UNDERSTAND THIS DOCUMENT BEFORE SIGNING IT. YOU HAVE THE RIGHT
69 TO CANCEL THIS AGREEMENT WITHOUT PENALTY WITHIN 3 BUSINESS DAYS
70 AFTER THE DATE THIS AGREEMENT IS EXECUTED OR WITHIN 3 BUSINESS
71 DAYS AFTER YOUR PROPERTY INSURANCE COMPANY HAS RECEIVED A COPY
72 OF THIS AGREEMENT, WHICHEVER IS LATER. IF WORK IS BEING
73 PERFORMED AS A RESULT OF DAMAGES CAUSED BY AN EVENT FOR WHICH
74 THE GOVERNOR HAS DECLARED A STATE OF EMERGENCY AND IS WITHIN 1
75 YEAR AFTER SUCH DECLARATION, YOU HAVE 5 DAYS AFTER THE DATE OF
76 EXECUTION TO CANCEL. THIS AGREEMENT DOES NOT CHANGE YOUR DUTIES
77 UNDER YOUR PROPERTY INSURANCE POLICY, SUCH AS PROMPTLY NOTIFYING
78 YOUR INSURANCE COMPANY OF A LOSS AND MITIGATING YOUR PROPERTY

79 FROM FURTHER DAMAGE.

80 (2) An agreement entered into under this section to assign
81 or transfer rights, benefits, or policy provisions is void if:

82 (a) It imposes an agreement cancellation fee, a check
83 processing fee, or a mortgage processing fee or adds an amount
84 for overhead and profit to the amount estimated for mitigation
85 and repair of covered property;

86 (b) A final invoice issued under the agreement exceeds the
87 estimated cost for work performed and the increase in cost was
88 not authorized by the insurer;

89 (c) It purports to assign or transfer the right to enforce
90 payment for post-loss benefits in the policy;

91 (d) It prevents or inhibits an insurer from communicating
92 with the insured at any time; or

93 (e) It purports to transfer or create any authority to
94 adjust, negotiate, or settle any portion of a claim to a person
95 or entity that is not authorized to adjust, negotiate, or settle
96 a claim on behalf of the insured or claimant under part VI of
97 chapter 626.

98 (3) This section does not apply to a power of attorney
99 granted to a management company, family member, guardian, or
100 similarly situated person which complies with chapter 709 and
101 which may include, as part of the authority granted, the
102 authority to act in place of a principal as it relates to a
103 property insurance claim.

104 Section 3. This act applies to post-loss assignments or

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105 transfers of rights, benefits, or policy provisions not related
106 to liability coverage which are executed on or after July 1,
107 2016.

108 Section 4. This act shall take effect July 1, 2016.