



311958

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/16/2016	.	
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The Committee on Banking and Insurance (Margolis) recommended the following:

Senate Amendment (with title amendment)

Delete lines 25 - 70
and insert:
services for an insured under an insurance policy in this state
may not adjust a claim on behalf of an insured unless licensed
and compliant as a public adjuster under this chapter. However,
the contractor or subcontractor may discuss or explain a bid for
construction or repair of covered property with the residential
property owner who has suffered loss or damage covered by a



311958

11 property insurance policy, or the insurer of such property, if
12 the contractor or subcontractor is doing so for the usual and
13 customary fees applicable to the work to be performed as stated
14 in the contract between the contractor or subcontractor and the
15 insured.

16 Section 2. Section 627.716, Florida Statutes, is created to
17 read:

18 627.716 Prohibited practices related to repair, mitigation,
19 and restoration services; penalties.-

20 (1) A person or entity may not directly or indirectly
21 offer, deliver, receive, or accept any compensation, inducement,
22 or reward greater than \$25 for the referral of any business for
23 the repair, mitigation, or restoration of property for which
24 property insurance proceeds are payable.

25 (2) An entity or person, including a contractor licensed
26 under part I of chapter 489 or a subcontractor to the
27 contractor, that provides emergency remediation or restoration
28 services for an insured under a property insurance policy in
29 this state must:

30 (a) Provide an insured with a scope of services and
31 materials to be provided for repairs undertaken pursuant to a
32 property insurance claim before the agreement authorizing such
33 repairs is executed.

34 (b) Notify the insured in writing that any assignment
35 accepted by the person or entity is limited to the scope of the
36 work indicated therein; that the insured may have other claims
37 under their homeowner's insurance policy that are not covered by
38 this assignment; and that the insured may wish to contact a
39 public adjuster or attorney to evaluate other claims and



311958

40 coverages. Nothing in this section prohibits the use of post-
41 loss, partial assignments in homeowner's insurance claims.

42 (3) The department may, in a proceeding initiated pursuant
43 to chapter 120, seek a cease and desist order, and if a cease
44 and desist order is violated, impose an administrative fine of
45 not more than \$10,000 per violation against any person found in
46 the proceeding to have violated this section. Any cease and
47 desist order or administrative fine levied by the department
48 under this subsection may be enforced by the department by
49 appropriate proceedings in the circuit court of the county in
50 which the person resides. The department may recommend to the
51 appropriate licensing agency or board that disciplinary action
52 be taken against persons licensed by other agencies or boards.

53
54 ===== T I T L E A M E N D M E N T =====

55 And the title is amended as follows:

56 Delete lines 3 - 12

57 and insert:

58 amending s. 626.854, F.S.; adding entities and persons
59 that may not adjust a claim on behalf of an insured
60 unless licensed and compliant as a public adjuster;
61 revising an exception to include a subcontractor;
62 creating s. 627.716, F.S.; prohibiting a person or
63 entity from certain actions relating to the referral
64 of certain business related to certain repair,
65 mitigation, and restoration services; specifying
66 requirements for an entity or person that provides
67 certain emergency remediation or restoration services;
68 authorizing the Department of Financial Services to



311958

69 seek a cease and desist order and administrative fines
70 for certain violations; authorizing the department to
71 enforce such penalties in a specified circuit court;
72 authorizing the department to recommend disciplinary
73 action to other licensing agencies or boards;
74 providing an effective date.