

By the Committees on Appropriations; and Banking and Insurance;
and Senator Gruters

576-04209-21

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1 A bill to be entitled
2 An act relating to consumer protection; amending
3 501.0051, F.S.; deleting authorization for consumer
4 reporting agencies to charge a fee for reissuing or
5 providing a new unique personal identifier to a
6 consumer; amending s. 624.307, F.S.; revising a
7 requirement for persons licensed or authorized by the
8 Department of Financial Services or the Office of
9 Insurance Regulation to respond to the department's
10 Division of Consumer Services regarding consumer
11 complaints; amending s. 624.501, F.S.; deleting a fee
12 for adjusting firm licenses; amending s. 626.112,
13 F.S.; deleting an obsolete provision; prohibiting
14 unlicensed activity by an adjusting firm; providing an
15 exemption; providing an exemption from licensure for
16 branch firms that meet certain criteria; providing an
17 administrative penalty for failing to apply for
18 certain licensure; providing a criminal penalty for
19 aiding or abetting unlicensed activity; amending s.
20 626.602, F.S.; authorizing the department to
21 disapprove the use of insurance agency names
22 containing the word "Medicare" or "Medicaid";
23 providing an exception for certain insurance agencies
24 for a certain period; providing for expiration of
25 certain licenses on a certain date; amending s.
26 626.621, F.S.; adding grounds on which the department
27 may take certain actions against a license,
28 appointment, or application of certain insurance
29 representatives; amending ss. 626.782 and 626.783,

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30 F.S.; revising the definitions of the terms
31 "industrial class insurer" and "ordinary-combination
32 class insurer," respectively, to conform to changes
33 made by the act; repealing s. 626.796, F.S., relating
34 to the representation of multiple insurers in the same
35 industrial debit territory; amending s. 626.854, F.S.;
36 revising the timeframes in which an insured or a
37 claimant may cancel a public adjuster's contract to
38 adjust a claim without penalty or obligation;
39 requiring that a public adjuster's contract include a
40 specified disclosure; specifying requirements for
41 written estimates of loss provided by public adjusters
42 to claimants or insureds; revising a prohibition
43 against certain contractors or subcontractors
44 providing insureds with specified services; providing
45 an exception; revising services a person is prohibited
46 from performing unless the person meets specified
47 requirements; authorizing the department to take
48 administrative actions and impose fines against
49 persons performing specified activities without
50 licensure; prohibiting specified persons from charging
51 insureds or third-party claimants or receiving
52 payments under certain circumstances; amending s.
53 626.916, F.S.; revising disclosure requirements for
54 certain classes of insurance before being eligible for
55 export under the Surplus Lines Law; amending s.
56 626.9541, F.S.; adding certain acts or practices to
57 the definition of sliding; amending s. 626.9741, F.S.;
58 requiring an insurer to include certain additional

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59 information when providing an applicant or insured
60 with certain credit report or score information;
61 amending ss. 626.9953, 626.9957, and 627.062, F.S.;
62 conforming cross-references; amending s. 627.502,
63 F.S.; prohibiting life insurers from writing new
64 policies of industrial life insurance beginning on a
65 certain date; making technical changes; amending s.
66 627.70131, F.S.; providing that a communication made
67 to or by an insurer's representative, rather than to
68 or by an insurer's agent, constitutes communication to
69 or by the insurer; defining the term "representative",
70 rather than "agent"; revising the timeframe for
71 insurers to begin certain investigations; requiring an
72 insurer-assigned licensed adjuster to provide the
73 policyholder with certain information in certain
74 investigations; requiring insurers to maintain certain
75 records and provide certain lists upon request;
76 requiring insurers to include specified notices when
77 providing preliminary or partial damage estimates or
78 claim payments; providing applicability; conforming
79 provisions to changes made by the act; amending s.
80 627.7142, F.S.; revising information contained in the
81 Homeowner Claims Bill of Rights; conforming provisions
82 to changes made by the act; amending s. 631.57, F.S.;
83 deleting a deductible on the obligation of the Florida
84 Insurance Guaranty Association, Incorporated, as to
85 certain covered claims; amending s. 631.904, F.S.;
86 revising the definition of the term "covered claim";
87 deleting a requirement that a policy be in force on

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88 the date of the final order of liquidation; providing
89 effective dates.

90

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

92

93 Section 1. Subsection (9) of section 501.0051, Florida
94 Statutes, is amended to read:

95 501.0051 Protected consumer report security freeze.—

96 (9)(a) A consumer reporting agency may not charge any fee
97 to place or remove a security freeze.

98 ~~(b) A consumer reporting agency may charge a reasonable~~
99 ~~fee, not to exceed \$10, if the representative fails to retain~~
100 ~~the original unique personal identifier provided by the consumer~~
101 ~~reporting agency and the agency must reissue the unique personal~~
102 ~~identifier or provide a new unique personal identifier to the~~
103 ~~representative.~~

104 Section 2. Paragraph (b) of subsection (10) of section
105 624.307, Florida Statutes, is amended to read:

106 624.307 General powers; duties.—

107 (10)

108 (b) Any person licensed or issued a certificate of
109 authority by the department or the office shall respond, in
110 writing, to the division within 20 days after receipt of a
111 written request for documents and information from the division
112 concerning a consumer complaint. The response must address the
113 issues and allegations raised in the complaint and include any
114 requested documents concerning the consumer complaint not
115 subject to attorney-client or work-product privilege. The
116 division may impose an administrative penalty for failure to

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117 comply with this paragraph of up to \$2,500 per violation upon
118 any entity licensed by the department or the office and \$250 for
119 the first violation, \$500 for the second violation, and up to
120 \$1,000 for the third or subsequent violation upon any individual
121 licensed by the department or the office.

122 Section 3. Subsection (20) of section 624.501, Florida
123 Statutes, is amended to read:

124 624.501 Filing, license, appointment, and miscellaneous
125 fees.—The department, commission, or office, as appropriate,
126 shall collect in advance, and persons so served shall pay to it
127 in advance, fees, licenses, and miscellaneous charges as
128 follows:

129 ~~(20) Adjusting firm, original or renewal 3-year~~
130 ~~license.....\$60.00~~

131 Section 4. Present subsection (9) of section 626.112,
132 Florida Statutes, is redesignated as subsection (10) and
133 amended, a new subsection (9) is added to that section, and
134 paragraph (d) of subsection (7) of that section is amended, to
135 read:

136 626.112 License and appointment required; agents, customer
137 representatives, adjusters, insurance agencies, service
138 representatives, managing general agents, insurance adjusting
139 firms.—

140 (7)

141 ~~(d) Effective October 1, 2015, the department must~~
142 ~~automatically convert the registration of an approved registered~~
143 ~~insurance agency to an insurance agency license.~~

144 (9) (a) An individual, a firm, a partnership, a corporation,
145 an association, or any other entity may not act in its own name

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146 or under a trade name, directly or indirectly, as an adjusting
147 firm unless it complies with s. 626.8696 with respect to
148 possessing an adjusting firm license for each place of business
149 at which it engages in an activity that may be performed only by
150 a licensed insurance adjuster. However, an adjusting firm that
151 is owned and operated by a single licensed adjuster conducting
152 business in his or her individual name and not employing or
153 otherwise using the services of or appointing other licensees is
154 exempt from the adjusting firm licensing requirements of this
155 subsection.

156 (b) A branch place of business that is established by a
157 licensed adjusting firm is considered a branch firm and is not
158 required to be licensed if:

159 1. It transacts business under the same name and federal
160 tax identification number as the licensed adjusting firm;

161 2. It has designated with the department a primary adjuster
162 operating the location as required by s. 626.8695; and

163 3. The address and telephone number of the branch location
164 have been submitted to the department for inclusion in the
165 licensing record of the licensed adjusting firm within 30 days
166 after insurance transactions begin at the branch location.

167 (c) If an adjusting firm is required to be licensed but
168 fails to apply for licensure in accordance with this subsection,
169 the department must impose an administrative penalty of up to
170 \$10,000 on the firm.

171 (10)~~(9)~~ Any person who knowingly transacts insurance or
172 otherwise engages in insurance activities in this state without
173 a license in violation of this section or who knowingly aids or
174 abets an unlicensed person in transacting insurance or otherwise

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175 engaging in insurance activities in this state without a license
176 commits a felony of the third degree, punishable as provided in
177 s. 775.082, s. 775.083, or s. 775.084.

178 Section 5. Subsection (4) is added to section 626.602,
179 Florida Statutes, to read:

180 626.602 Insurance agency names; disapproval.—The department
181 may disapprove the use of any true or fictitious name, other
182 than the bona fide natural name of an individual, by any
183 insurance agency on any of the following grounds:

184 (4) The name contains the word "Medicare" or "Medicaid." An
185 insurance agency whose name contains the word "Medicare" or
186 "Medicaid" but which is licensed as of July 1, 2021, may
187 continue to use that name until June 30, 2023, provided that the
188 agency's license remains valid. If the agency's license expires
189 or is suspended or revoked, the agency may not be relicensed
190 using that name. Licenses for agencies with names containing
191 either of these words automatically expire on July 1, 2023,
192 unless these words are removed from the name.

193 Section 6. Subsections (16) and (17) are added to section
194 626.621, Florida Statutes, to read:

195 626.621 Grounds for discretionary refusal, suspension, or
196 revocation of agent's, adjuster's, customer representative's,
197 service representative's, or managing general agent's license or
198 appointment.—The department may, in its discretion, deny an
199 application for, suspend, revoke, or refuse to renew or continue
200 the license or appointment of any applicant, agent, adjuster,
201 customer representative, service representative, or managing
202 general agent, and it may suspend or revoke the eligibility to
203 hold a license or appointment of any such person, if it finds

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204 that as to the applicant, licensee, or appointee any one or more
205 of the following applicable grounds exist under circumstances
206 for which such denial, suspension, revocation, or refusal is not
207 mandatory under s. 626.611:

208 (16) Taking an action that allows the personal financial or
209 medical information of a consumer or customer to be made
210 available or accessible to the general public, regardless of the
211 format in which the record is stored.

212 (17) Initiating in-person or telephone solicitation after 9
213 p.m. or before 8 a.m. local time of the prospective customer
214 unless requested by the prospective customer.

215 Section 7. Section 626.782, Florida Statutes, is amended to
216 read:

217 626.782 "Industrial class insurer" defined.—An "industrial
218 class insurer" is an insurer collecting premiums on policies of
219 ~~writing~~ industrial life insurance, as defined in s. 627.502,
220 written before July 1, 2021, and as to such insurance, operates
221 under a system of collecting a debit by its agent.

222 Section 8. Section 626.783, Florida Statutes, is amended to
223 read:

224 626.783 "Ordinary-combination class insurer" defined.—An
225 "ordinary-combination class insurer" is an insurer writing ~~both~~
226 ordinary class insurance and collecting premiums on existing
227 industrial life ~~class~~ insurance as defined by s. 627.502.

228 Section 9. Section 626.796, Florida Statutes, is repealed.

229 Section 10. Subsections (6), (11), (15), and (19) of
230 section 626.854, Florida Statutes, are amended, and subsections
231 (20) and (21) are added to that section, to read:

232 626.854 "Public adjuster" defined; prohibitions.—The

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233 Legislature finds that it is necessary for the protection of the
234 public to regulate public insurance adjusters and to prevent the
235 unauthorized practice of law.

236 (6) An insured or claimant may cancel a public adjuster's
237 contract to adjust a claim without penalty or obligation within
238 10 ~~3 business~~ days after the date on which the contract is
239 executed ~~or within 3 business days after the date on which the~~
240 ~~insured or claimant has notified the insurer of the claim,~~
241 ~~whichever is later.~~ The public adjuster's contract must contain
242 the following language in minimum 18-point bold type: "You, the
243 insured, may cancel this contract for any reason without penalty
244 or obligation to you within 10 days after the date of this
245 contract by providing notice to ...(name of public adjuster)...,
246 submitted in writing and sent by certified mail, return receipt
247 requested, or other form of mailing that provides proof thereof,
248 at the address specified in the contract ~~disclose to the insured~~
249 ~~or claimant his or her right to cancel the contract and advise~~
250 ~~the insured or claimant that notice of cancellation must be~~
251 ~~submitted in writing and sent by certified mail, return receipt~~
252 ~~requested, or other form of mailing that provides proof thereof,~~
253 ~~to the public adjuster at the address specified in the contract,~~
254 ~~provided, during any state of emergency as declared by the~~
255 ~~Governor and for 1 year after the date of loss, the insured or~~
256 ~~claimant has 5 business days after the date on which the~~
257 ~~contract is executed to cancel a public adjuster's contract.~~

258 (11) Each public adjuster must provide to the claimant or
259 insured a written estimate of the loss to assist in the
260 submission of a proof of loss or any other claim for payment of
261 insurance proceeds within 60 days after the date of the

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262 contract. The written estimate must include an itemized, per-
263 unit estimate of the repairs, including itemized information on
264 equipment, materials, labor, and supplies, in accordance with
265 accepted industry standards. The public adjuster shall retain
266 such written estimate for at least 5 years and shall make the
267 estimate available to the claimant or insured, the insurer, and
268 the department upon request.

269 (15) A licensed contractor under part I of chapter 489, or
270 a subcontractor of such licensee, may not advertise, solicit,
271 offer to handle, handle, or perform public adjuster services as
272 provided in s. 626.854(1) adjust a claim on behalf of an insured
273 unless licensed and compliant as a public adjuster under this
274 chapter. The prohibition against solicitation does not preclude
275 a contractor from suggesting or otherwise recommending to a
276 consumer that the consumer consider contacting his or her
277 insurer to determine if the proposed repair is covered under the
278 consumer's insurance policy. In addition ~~However,~~ the contractor
279 may discuss or explain a bid for construction or repair of
280 covered property with the residential property owner who has
281 suffered loss or damage covered by a property insurance policy,
282 or the insurer of such property, if the contractor is doing so
283 for the usual and customary fees applicable to the work to be
284 performed as stated in the contract between the contractor and
285 the insured.

286 (19) Except as otherwise provided in this chapter, no
287 person, except an attorney at law or a licensed public adjuster,
288 may for money, commission, or any other thing of value, directly
289 or indirectly:

290 (a) Prepare, complete, or file an insurance claim for an

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291 insured or a third-party claimant;

292 (b) Act on behalf of or aid an insured or a third-party
293 claimant in negotiating for or effecting the settlement of a
294 claim for loss or damage covered by an insurance contract;

295 (c) Offer to initiate or negotiate a claim on behalf of an
296 insured;

297 (d) Advertise services that require a license for
298 employment as a public adjuster; or

299 (e) ~~(d)~~ Solicit, investigate, or adjust a claim on behalf of
300 a public adjuster, an insured, or a third-party claimant.

301 (20) The department may take administrative actions and
302 impose fines against any persons performing claims adjusting,
303 soliciting, or any other services described in this section
304 without the licensure required under this section or s. 626.112.

305 (21) A public adjuster, public adjuster apprentice, or
306 public adjusting firm that solicits a claim and does not enter
307 into a contract with an insured or a third-party claimant
308 pursuant to paragraph (10) (a) may not charge an insured or a
309 third-party claimant or receive payment by any other source for
310 any type of service related to the insured or third-party
311 claimant's claim.

312 Section 11. Effective January 1, 2022, subsection (3) of
313 section 626.916, Florida Statutes, is amended, and paragraph (f)
314 is added to subsection (1) of that section, to read:

315 626.916 Eligibility for export.—

316 (1) No insurance coverage shall be eligible for export
317 unless it meets all of the following conditions:

318 (f) The insured has signed or otherwise provided documented
319 acknowledgment of a disclosure in substantially the following

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320 form: "You are agreeing to place coverage in the surplus lines
321 market. Coverage may be available in the admitted market.
322 Persons insured by surplus lines carriers are not protected
323 under the Florida Insurance Guaranty Act with respect to any
324 right of recovery for the obligation of an insolvent unlicensed
325 insurer."

326 (3) (a) Subsection (1) does not apply to wet marine and
327 transportation or aviation risks that ~~which~~ are subject to s.
328 626.917.

329 (b) Paragraphs (1) (a)-(d) do not apply to classes of
330 insurance which are subject to s. 627.062(3)(d)1. These classes
331 may be exportable under the following conditions:

- 332 1. The insurance must be placed only by or through a
333 surplus lines agent licensed in this state;
- 334 2. The insurer must be made eligible under s. 626.918; and
- 335 3. The insured has complied with paragraph (1) (f) ~~must sign~~
336 ~~a disclosure that substantially provides the following: "You are~~
337 ~~agreeing to place coverage in the surplus lines market. Superior~~
338 ~~coverage may be available in the admitted market and at a lesser~~
339 ~~cost. Persons insured by surplus lines carriers are not~~
340 ~~protected under the Florida Insurance Guaranty Act with respect~~
341 ~~to any right of recovery for the obligation of an insolvent~~
342 ~~unlicensed insurer."~~ If the disclosure notice is signed by the
343 insured, the insured is presumed to have been informed and to
344 know that other coverage may be available, and, with respect to
345 the diligent-effort requirement under subsection (1), there is
346 no liability on the part of, and no cause of action arises
347 against, the retail agent presenting the form.

348 Section 12. Paragraph (z) of subsection (1) of section

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349 626.9541, Florida Statutes, is amended to read:

350 626.9541 Unfair methods of competition and unfair or
351 deceptive acts or practices defined.—

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

355 (z) *Sliding*.—Sliding is the act or practice of any of the
356 following:

357 1. Representing to the applicant that a specific ancillary
358 coverage or product is required by law in conjunction with the
359 purchase of insurance when such coverage or product is not
360 required.~~†~~

361 2. Representing to the applicant that a specific ancillary
362 coverage or product is included in the policy applied for
363 without an additional charge when such charge is required.~~†~~~~or~~

364 3. Charging an applicant for a specific ancillary coverage
365 or product, in addition to the cost of the insurance coverage
366 applied for, without the informed consent of the applicant.

367 4. Initiating, effectuating, binding, or otherwise issuing
368 a policy of insurance without the prior informed consent of the
369 owner of the property to be insured.

370 5. Mailing, transmitting, or otherwise submitting by any
371 means an invoice for premium payment to a mortgagee or escrow
372 agent, for the purpose of effectuating an insurance policy,
373 without the prior informed consent of the owner of the property
374 to be insured. However, this subparagraph does not apply in
375 cases in which the mortgagee or escrow agent is renewing
376 insurance or issuing collateral protection insurance, as defined
377 in s. 624.6085, pursuant to the mortgage or other pertinent loan

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378 documents or communications regarding the property.

379 Section 13. Effective January 1, 2022, subsection (3) of
380 section 626.9741, Florida Statutes, is amended to read:

381 626.9741 Use of credit reports and credit scores by
382 insurers.—

383 (3) An insurer must inform an applicant or insured, in the
384 same medium as the application is taken, that a credit report or
385 score is being requested for underwriting or rating purposes.

386 The notification to the consumer must include the following
387 language: "The Department of Financial Services offers free
388 financial literacy programs to assist you with insurance-related
389 questions, including how credit works and how credit scores are
390 calculated. To learn more, visit www.MyFloridaCFO.com." An

391 insurer that makes an adverse decision based, in whole or in
392 part, upon a credit report must provide at no charge, a copy of
393 the credit report to the applicant or insured or provide the
394 applicant or insured with the name, address, and telephone
395 number of the consumer reporting agency from which the insured
396 or applicant may obtain the credit report. The insurer must
397 provide notification to the consumer explaining the reasons for
398 the adverse decision. The reasons must be provided in
399 sufficiently clear and specific language so that a person can
400 identify the basis for the insurer's adverse decision. Such
401 notification shall include a description of the four primary
402 reasons, or such fewer number as existed, which were the primary
403 influences of the adverse decision. The use of generalized terms
404 such as "poor credit history," "poor credit rating," or "poor
405 insurance score" does not meet the explanation requirements of
406 this subsection. A credit score may not be used in underwriting

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407 or rating insurance unless the scoring process produces
408 information in sufficient detail to permit compliance with the
409 requirements of this subsection. It shall not be deemed an
410 adverse decision if, due to the insured's credit report or
411 credit score, the insured continues to receive a less favorable
412 rate or placement in a less favorable tier or company at the
413 time of renewal except for renewals or reunderwriting required
414 by this section.

415 Section 14. Subsection (5) of section 626.9953, Florida
416 Statutes, is amended to read:

417 626.9953 Qualifications for registration; application
418 required.—

419 (5) An applicant must submit a set of his or her
420 fingerprints to the department and pay the processing fee
421 established under s. 624.501(23) ~~s. 624.501(24)~~. The department
422 shall submit the applicant's fingerprints to the Department of
423 Law Enforcement for processing state criminal history records
424 checks and local criminal records checks through local law
425 enforcement agencies and for forwarding to the Federal Bureau of
426 Investigation for national criminal history records checks. The
427 fingerprints shall be taken by a law enforcement agency, a
428 designated examination center, or another department-approved
429 entity. The department may not approve an application for
430 registration as a navigator if fingerprints have not been
431 submitted.

432 Section 15. Subsection (1) of section 626.9957, Florida
433 Statutes, is amended to read:

434 626.9957 Conduct prohibited; denial, revocation, or
435 suspension of registration.—

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436 (1) As provided in s. 626.112, only a person licensed as an
 437 insurance agent or customer representative may engage in the
 438 solicitation of insurance. A person who engages in the
 439 solicitation of insurance as described in s. 626.112(1) without
 440 such license is subject to the penalties provided under s.
 441 626.112(10) ~~s. 626.112(9)~~.

442 Section 16. Subsection (10) of section 627.062, Florida
 443 Statutes, is amended to read:

444 627.062 Rate standards.—

445 (10) Any interest paid pursuant to s. 627.70131(7) ~~s.~~
 446 ~~627.70131(5)~~ may not be included in the insurer's rate base and
 447 may not be used to justify a rate or rate change.

448 Section 17. Section 627.502, Florida Statutes, is amended
 449 to read:

450 627.502 "Industrial life insurance" defined; reporting;
 451 prohibition on new policies after a certain date.—

452 (1) For the purposes of this code, "industrial life
 453 insurance" is that form of life insurance written under policies
 454 under which premiums are payable monthly or more often, bearing
 455 the words "industrial policy" or "weekly premium policy" or
 456 words of similar import imprinted upon the policies as part of
 457 the descriptive matter, and issued by an insurer that ~~which~~, as
 458 to such industrial life insurance, is operating under a system
 459 of collecting a debit by its agent.

460 (2) Every life insurer servicing existing ~~transacting~~
 461 industrial life insurance shall report to the office all annual
 462 statement data regarding the exhibit of life insurance,
 463 including relevant information for industrial life insurance.

464 (3) Beginning July 1, 2021, a life insurer may not write a

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465 new policy of industrial life insurance.

466 Section 18. Effective January 1, 2022, section 627.70131,
467 Florida Statutes, is amended to read:

468 627.70131 Insurer's duty to acknowledge communications
469 regarding claims; investigation.-

470 (1) (a) Upon an insurer's receiving a communication with
471 respect to a claim, the insurer shall, within 14 calendar days,
472 review and acknowledge receipt of such communication unless
473 payment is made within that period of time or unless the failure
474 to acknowledge is caused by factors beyond the control of the
475 insurer which reasonably prevent such acknowledgment. If the
476 acknowledgment is not in writing, a notification indicating
477 acknowledgment shall be made in the insurer's claim file and
478 dated. A communication made to or by a representative ~~an agent~~
479 of an insurer with respect to a claim shall constitute
480 communication to or by the insurer.

481 (b) As used in this subsection, the term "representative"
482 ~~"agent"~~ means any person to whom an insurer has granted
483 authority or responsibility to receive or make such
484 communications with respect to claims on behalf of the insurer.

485 (c) This subsection does ~~shall~~ not apply to claimants
486 represented by counsel beyond those communications necessary to
487 provide forms and instructions.

488 (2) Such acknowledgment must ~~shall~~ be responsive to the
489 communication. If the communication constitutes a notification
490 of a claim, unless the acknowledgment reasonably advises the
491 claimant that the claim appears not to be covered by the
492 insurer, the acknowledgment must ~~shall~~ provide necessary claim
493 forms, and instructions, including an appropriate telephone

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494 number.

495 (3) (a) Unless otherwise provided by the policy of insurance
496 or by law, within 14 ~~10~~ ~~working~~ days after an insurer receives
497 proof of loss statements, the insurer shall begin such
498 investigation as is reasonably necessary unless the failure to
499 begin such investigation is caused by factors beyond the control
500 of the insurer which reasonably prevent the commencement of such
501 investigation.

502 (b) If such investigation involves a physical inspection of
503 the property, the licensed adjuster assigned by the insurer must
504 provide the policyholder with a printed or electronic document
505 containing his or her name and state adjuster license number.

506 (c) Any subsequent communication with the policyholder
507 regarding the claim must also include the name and license
508 number of the adjuster communicating about the claim.
509 Communication of the adjuster's name and license number may be
510 included with other information provided to the policyholder.

511 (4) An insurer shall maintain a record or log of each
512 adjuster who communicates with the policyholder as provided in
513 paragraphs (3) (b) and (c) and provide a list of such adjusters
514 to the insured, office, or department upon request.

515 (5) For purposes of this section, the term "insurer" means
516 any residential property insurer.

517 (6) (a) When providing a preliminary or partial estimate of
518 damage regarding a claim, an insurer shall include with the
519 estimate the following statement printed in at least 12-point
520 bold, uppercase type: THIS ESTIMATE REPRESENTS OUR CURRENT
521 EVALUATION OF THE COVERED DAMAGES TO YOUR INSURED PROPERTY AND
522 MAY BE REVISED AS WE CONTINUE TO EVALUATE YOUR CLAIM. IF YOU

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523 HAVE QUESTIONS, CONCERNS, OR ADDITIONAL INFORMATION REGARDING
524 YOUR CLAIM, WE ENCOURAGE YOU TO CONTACT US.

525 (b) When providing a payment on a claim which is not the
526 full and final payment for the claim, an insurer shall include
527 with the payment the following statement printed in at least 12-
528 point bold, uppercase type: WE ARE CONTINUING TO EVALUATE YOUR
529 CLAIM INVOLVING YOUR INSURED PROPERTY AND MAY ISSUE ADDITIONAL
530 PAYMENTS. IF YOU HAVE QUESTIONS, CONCERNS, OR ADDITIONAL
531 INFORMATION REGARDING YOUR CLAIM, WE ENCOURAGE YOU TO CONTACT
532 US.

533 (7) (a) ~~(5) (a)~~ Within 90 days after an insurer receives
534 notice of an initial, reopened, or supplemental property
535 insurance claim from a policyholder, the insurer shall pay or
536 deny such claim or a portion of the claim unless the failure to
537 pay is caused by factors beyond the control of the insurer which
538 reasonably prevent such payment. Any payment of an initial or
539 supplemental claim or portion of such claim made 90 days after
540 the insurer receives notice of the claim, or made more than 15
541 days after there are no longer factors beyond the control of the
542 insurer which reasonably prevented such payment, whichever is
543 later, bears interest at the rate set forth in s. 55.03.
544 Interest begins to accrue from the date the insurer receives
545 notice of the claim. The provisions of this subsection may not
546 be waived, voided, or nullified by the terms of the insurance
547 policy. If there is a right to prejudgment interest, the insured
548 shall select whether to receive prejudgment interest or interest
549 under this subsection. Interest is payable when the claim or
550 portion of the claim is paid. Failure to comply with this
551 subsection constitutes a violation of this code. However,

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552 failure to comply with this subsection does not form the sole
553 basis for a private cause of action.

554 (b) Notwithstanding subsection (5) ~~(4)~~, for purposes of
555 this subsection, the term "claim" means any of the following:

556 1. A claim under an insurance policy providing residential
557 coverage as defined in s. 627.4025(1);

558 2. A claim for structural or contents coverage under a
559 commercial property insurance policy if the insured structure is
560 10,000 square feet or less; or

561 3. A claim for contents coverage under a commercial tenant
562 policy if the insured premises is 10,000 square feet or less.

563 (c) This subsection does ~~shall~~ not apply to claims under an
564 insurance policy covering nonresidential commercial structures
565 or contents in more than one state.

566 (8) This section also applies to surplus lines insurers and
567 surplus lines insurance authorized under ss. 626.913-626.937
568 providing residential coverage.

569 Section 19. Effective January 1, 2022, section 627.7142,
570 Florida Statutes, is amended to read:

571 627.7142 Homeowner Claims Bill of Rights.—An insurer
572 issuing a personal lines residential property insurance policy
573 in this state must provide a Homeowner Claims Bill of Rights to
574 a policyholder within 14 days after receiving an initial
575 communication with respect to a claim, ~~unless the claim follows~~
576 ~~an event that is the subject of a declaration of a state of~~
577 ~~emergency by the Governor.~~ The purpose of the bill of rights is
578 to summarize, in simple, nontechnical terms, existing Florida
579 law regarding the rights of a personal lines residential
580 property insurance policyholder who files a claim of loss. The

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581 Homeowner Claims Bill of Rights is specific to the claims
582 process and does not represent all of a policyholder's rights
583 under Florida law regarding the insurance policy. The Homeowner
584 Claims Bill of Rights does not create a civil cause of action by
585 any individual policyholder or class of policyholders against an
586 insurer or insurers. The failure of an insurer to properly
587 deliver the Homeowner Claims Bill of Rights is subject to
588 administrative enforcement by the office but is not admissible
589 as evidence in a civil action against an insurer. The Homeowner
590 Claims Bill of Rights does not enlarge, modify, or contravene
591 statutory requirements, including, but not limited to, ss.
592 626.854, 626.9541, 627.70131, 627.7015, and 627.7074, and does
593 not prohibit an insurer from exercising its right to repair
594 damaged property in compliance with the terms of an applicable
595 policy or ss. 627.7011(5)(e) and 627.702(7). The Homeowner
596 Claims Bill of Rights must state:

597
598 HOMEOWNER CLAIMS

599 BILL OF RIGHTS

600 This Bill of Rights is specific to the claims process
601 and does not represent all of your rights under
602 Florida law regarding your policy. There are also
603 exceptions to the stated timelines when conditions are
604 beyond your insurance company's control. This document
605 does not create a civil cause of action by an
606 individual policyholder, or a class of policyholders,
607 against an insurer or insurers and does not prohibit
608 an insurer from exercising its right to repair damaged
609 property in compliance with the terms of an applicable

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610 policy.

611

612 YOU HAVE THE RIGHT TO:

613 1. Receive from your insurance company an
614 acknowledgment of your reported claim within 14 days
615 after the time you communicated the claim.

616 2. Upon written request, receive from your
617 insurance company within 30 days after you have
618 submitted a complete proof-of-loss statement to your
619 insurance company, confirmation that your claim is
620 covered in full, partially covered, or denied, or
621 receive a written statement that your claim is being
622 investigated.

623 3. Within 90 days, subject to any dual interest
624 noted in the policy, receive full settlement payment
625 for your claim or payment of the undisputed portion of
626 your claim, or your insurance company's denial of your
627 claim.

628 4. Receive payment of interest, as provided in s.
629 627.70131, Florida Statutes, from your insurance
630 company, which begins accruing from the date your
631 claim is filed if your insurance company does not pay
632 full settlement of your initial, reopened, or
633 supplemental claim or the undisputed portion of your
634 claim or does not deny your claim within 90 days after
635 your claim is filed. The interest, if applicable, must
636 be paid when your claim or the undisputed portion of
637 your claim is paid.

638 5. Free mediation of your disputed claim by the

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639 Florida Department of Financial Services, Division of
640 Consumer Services, under most circumstances and
641 subject to certain restrictions.

642 ~~6.5.~~ Neutral evaluation of your disputed claim,
643 if your claim is for damage caused by a sinkhole and
644 is covered by your policy.

645 ~~7.6.~~ Contact the Florida Department of Financial
646 Services, Division of Consumer Services' toll-free
647 helpline for assistance with any insurance claim or
648 questions pertaining to the handling of your claim.
649 You can reach the Helpline by phone at...(toll-free
650 phone number)..., or you can seek assistance online at
651 the Florida Department of Financial Services, Division
652 of Consumer Services' website at...(website
653 address)....

654

655 YOU ARE ADVISED TO:

656 1. File all claims directly with your insurance
657 company.

658 2. Contact your insurance company before entering
659 into any contract for repairs to confirm any managed
660 repair policy provisions or optional preferred
661 vendors.

662 3.2. Make and document emergency repairs that are
663 necessary to prevent further damage. Keep the damaged
664 property, if feasible, keep all receipts, and take
665 photographs or video of damage before and after any
666 repairs to provide to your insurer.

667 4.3. Carefully read any contract that requires

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668 you to pay out-of-pocket expenses or a fee that is
669 based on a percentage of the insurance proceeds that
670 you will receive for repairing or replacing your
671 property.

672 5.4. Confirm that the contractor you choose is
673 licensed to do business in Florida. You can verify a
674 contractor's license and check to see if there are any
675 complaints against him or her by calling the Florida
676 Department of Business and Professional Regulation.
677 You should also ask the contractor for references from
678 previous work.

679 6.5. Require all contractors to provide proof of
680 insurance before beginning repairs.

681 7.6. Take precautions if the damage requires you
682 to leave your home, including securing your property
683 and turning off your gas, water, and electricity, and
684 contacting your insurance company and provide a phone
685 number where you can be reached.

686 Section 20. Paragraph (a) of subsection (1) and subsection
687 (6) of section 631.57, Florida Statutes, are amended to read:

688 631.57 Powers and duties of the association.—

689 (1) The association shall:

690 (a)1. Be obligated to the extent of the covered claims
691 existing:

692 a. Prior to adjudication of insolvency and arising within
693 30 days after the determination of insolvency;

694 b. Before the policy expiration date if less than 30 days
695 after the determination; or

696 c. Before the insured replaces the policy or causes its

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697 cancellation, if she or he does so within 30 days of the
698 determination.

699 2. The obligation under subparagraph 1. includes ~~only~~ the
700 amount of each covered claim which is ~~in excess of \$100 and is~~
701 less than \$300,000, except that policies providing coverage for
702 homeowner's insurance must ~~shall~~ provide for an additional
703 \$200,000 for the portion of a covered claim which relates only
704 to the damage to the structure and contents.

705 3.a. Notwithstanding subparagraph 2., the obligation under
706 subparagraph 1. for policies covering condominium associations
707 or homeowners' associations, which associations have a
708 responsibility to provide insurance coverage on residential
709 units within the association, includes ~~shall include~~ that amount
710 of each covered property insurance claim which is less than
711 \$200,000 multiplied by the number of condominium units or other
712 residential units; however, as to homeowners' associations, this
713 sub-subparagraph applies only to claims for damage or loss to
714 residential units and structures attached to residential units.

715 b. Notwithstanding sub-subparagraph a., the association has
716 no obligation to pay covered claims that are to be paid from the
717 proceeds of bonds issued under s. 631.695. However, the
718 association shall assign and pledge the first available moneys
719 from all or part of the assessments to be made under paragraph
720 (3) (a) to or on behalf of the issuer of such bonds for the
721 benefit of the holders of such bonds. The association shall
722 administer any such covered claims and present valid covered
723 claims for payment in accordance with the provisions of the
724 assistance program in connection with which such bonds have been
725 issued.

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726 4. ~~In no event shall~~ The association may not be obligated
727 to a policyholder or claimant in an amount in excess of the
728 obligation of the insolvent insurer under the policy from which
729 the claim arises.

730 (6) The association may extend the time limits specified in
731 paragraph (1)(a) by up to an additional 60 days ~~or waive the~~
732 ~~applicability of the \$100 deductible specified in paragraph~~
733 ~~(1)(a)~~ if the board determines it is ~~that either or both such~~
734 ~~actions are~~ necessary to facilitate the bulk assumption of
735 obligations.

736 Section 21. Subsection (2) of section 631.904, Florida
737 Statutes, is amended to read:

738 631.904 Definitions.—As used in this part, the term:

739 (2) "Covered claim" means an unpaid claim, including a
740 claim for return of unearned premiums, which arises out of, is
741 within the coverage of, and is not in excess of the applicable
742 limits of, an insurance policy to which this part applies, which
743 policy was issued by an insurer and which claim is made on
744 behalf of a claimant or insured who was a resident of this state
745 at the time of the injury. The term "covered claim" includes
746 unpaid claims under any employer liability coverage of a
747 workers' compensation policy limited to the lesser of \$300,000
748 or the limits of the policy. The term "covered claim" does not
749 include any amount sought as a return of premium under any
750 retrospective rating plan; any amount due any reinsurer,
751 insurer, insurance pool, or underwriting association, as
752 subrogation recoveries or otherwise; or any claim that would
753 otherwise be a covered claim that has been rejected or denied by
754 any other state guaranty fund based upon that state's statutory

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755 exclusions, including, but not limited to, those based on
756 coverage, policy type, or an insured's net worth, except this
757 exclusion from the definition of covered claim does not apply to
758 employers who, prior to April 30, 2004, entered into an
759 agreement with the corporation preserving the employer's right
760 to seek coverage of claims rejected by another state's guaranty
761 fund; ~~or any return of premium resulting from a policy that was~~
762 ~~not in force on the date of the final order of liquidation.~~

763 Member insurers have no right of subrogation against the insured
764 of any insolvent insurer. This provision applies retroactively
765 to cover claims of an insolvent self-insurance fund resulting
766 from accidents or losses incurred prior to January 1, 1994,
767 regardless of the date the petition in circuit court was filed
768 alleging insolvency and the date the court entered an order
769 appointing a receiver.

770 Section 22. Except as otherwise expressly provided in this
771 act, this act shall take effect upon becoming a law.