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LEGISLATIVE ACTION

Senate

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House

Floor: 2/F/2R

12/13/2022 02:38 PM

Senator Pizzo moved the following:

Senate Amendment (with title amendment)

Delete lines 452 - 526

and insert:

transacting property insurance business in this state shall be
subject to an additional market conduct examination after a
hurricane if the insurer:

(a) Is among the top 20 percent of insurers based upon a
calculation of the ratio of hurricane-related property insurance
claims filed to the number of property insurance policies in
force;



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12 (b) Is among the top 20 percent of insurers based upon a
13 calculation of the ratio of consumer complaints made to the
14 department to hurricane-related claims;

15 (c) Has made significant payments to its managing general
16 agent since the hurricane; or

17 (d) Is identified by the office as necessitating a market
18 conduct exam for any other reason.

19
20 All relevant criteria under this section and s. 624.316 shall be
21 applied to the market conduct examination under this subsection.
22 Such an examination must be initiated within 18 months after the
23 landfall of a hurricane that results in an executive order or a
24 state of emergency issued by the Governor. An examination of an
25 insurer under this subsection must also include an examination
26 of its managing general agent as if it were the insurer.

27 Section 4. Paragraph (c) of subsection (2) of section
28 624.418, Florida Statutes, is amended to read:

29 624.418 Suspension, revocation of certificate of authority
30 for violations and special grounds.—

31 (2) The office may, in its discretion, suspend or revoke
32 the certificate of authority of an insurer if it finds that the
33 insurer:

34 (c) Has for any line, class, or combination thereof, with
35 such frequency as to indicate its general business practice in
36 this state, without just cause:

37 1. Refused to pay proper claims arising under its policies,
38 whether any such claim is in favor of an insured or is in favor
39 of a third person with respect to the liability of an insured to
40 such third person, or without just cause compels such insureds



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41 or claimants to accept less than the amount due them or to
42 employ attorneys or to bring suit against the insurer or such an
43 insured to secure full payment or settlement of such claims; or

44 2. Compelled insureds to participate in appraisal under a
45 property insurance policy in order to secure full payment or
46 settlement of such claims.

47 Section 5. Paragraph (a) of subsection (10) and subsection
48 (11) of section 624.424, Florida Statutes, are amended to read:

49 624.424 Annual statement and other information.—

50 (10) (a) Each insurer or insurer group doing business in
51 this state shall file on a quarterly basis in conjunction with
52 financial reports required by paragraph (1) (a) a supplemental
53 report on an individual and group basis on a form prescribed by
54 the commission with information on personal lines and commercial
55 lines residential property insurance policies in this state. The
56 supplemental report shall include separate information for
57 personal lines property policies and for commercial lines
58 property policies and totals for each item specified, including
59 premiums written for each of the property lines of business as
60 described in ss. 215.555(2) (c) and 627.351(6) (a). The report
61 shall include the following information for each county on a
62 monthly basis:

63 1. Total number of policies in force at the end of each
64 month.

65 2. Total number of policies canceled.

66 3. Total number of policies nonrenewed.

67 4. Number of policies canceled due to hurricane risk.

68 5. Number of policies nonrenewed due to hurricane risk.

69 6. Number of new policies written.



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70 7. Total dollar value of structure exposure under policies
71 that include wind coverage.

72 8. Number of policies that exclude wind coverage.

73 9. Number of claims open each month.

74 10. Number of claims closed each month.

75 11. Number of claims pending each month.

76 12. Number of claims in which either the insurer or insured
77 invoked any form of alternative dispute resolution, which party
78 invoked alternative dispute resolution, and specifying which
79 form of alternative dispute resolution was used.

80 13. Number of policies canceled or not renewed while a
81 claim is pending.

82 (11) Beginning January 1, 2022, each authorized insurer or
83 insurer group issuing personal lines or commercial lines
84 residential property insurance policies in this state shall file
85 with the office on an annual basis in conjunction with the
86 statements required by paragraph (1)(a) a supplemental report on
87 an individual and group basis for closed claims. The office
88 shall compile the data for each insurer or insurer group on a
89 statewide basis and make such data publicly available on its
90 website monthly. Such information, when aggregated on a
91 statewide basis as to an individual insurer or insurer group, is
92 not a trade secret as defined in s. 688.002(4) or s. 812.081 and
93 is not subject to the public records exemption for trade secrets
94 provided in s. 119.0715. The report must be on a form prescribed
95 by the commission and must include the following information for
96 each claim closed, excluding liability only claims, within the
97 reporting period in this state:

98 (a) The unique claim identification number.



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- 99 (b) The type of policy.
- 100 (c) The zip code of the property where the claim occurred.
- 101 (d) The county where the claim occurred.
- 102 (e) The date of loss.
- 103 (f) The peril or type of loss, including information about:
- 104 1. The types of vendors used for mitigation, repair, or
- 105 replacement; and
- 106 2. The names of vendors used, if known.
- 107 (g) The date the claim was reported to insurer.
- 108 (h) The initial date the claim was closed, including
- 109 information about whether the claim was closed with or without
- 110 payment.
- 111 (i) The date the claim was most recently reopened, if
- 112 applicable.
- 113 (j) The date a supplemental claim was filed, if applicable.
- 114 (k) The date the claim was most recently closed, if
- 115 different from the initial date the claim was closed.
- 116 (l) The name of the public adjuster on the claim, if any.
- 117 (m) The Florida Bar number and name of the attorney for the
- 118 claimant, if any.
- 119 (n) The total indemnity paid by the insurer.
- 120 (o) The total loss adjustment expenses paid by the insurer.
- 121 (p) The amount paid for claimant's attorney fees, if any.
- 122 (q) The amount paid in costs for claimant's attorney's
- 123 expenses, including, but not limited to, expert witness fees.
- 124 (r) The contingency risk multiplier, if any, that the
- 125 claimant's attorney requested to be applied in calculating the
- 126 attorney fees awarded to the claimant's attorney.
- 127 (s) The contingency risk multiplier, if any, that a court



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128 applied in calculating the attorney fees awarded to the
129 claimant's attorney.

130 (t) Data submitted to the Department of Financial Services
131 by each claimant and each insurer or insurer group pursuant to
132 ss. 627.70152(3) and (4).

133 (u) Any other information deemed necessary by the
134 commission to provide the office with the ability to track
135 litigation and claims trends occurring in the property market.

137 ===== T I T L E A M E N D M E N T =====

138 And the title is amended as follows:

139 Delete lines 32 - 41

140 and insert:

141 insurers shall be subject to an additional market
142 conduct examination by the Office of Insurance
143 Regulation after a hurricane under certain
144 circumstances; providing requirements for such
145 examination; amending s. 624.418, F.S.; adding
146 specified grounds on which the office may suspend or
147 revoke a property insurer's certificate of authority;
148 amending s. 624.424, F.S.; adding information required
149 to be reported by property insurers in their quarterly
150 supplemental reports; requiring the office to compile
151 certain insurer information and make such data
152 publicly available; specifying that such data is not a
153 trade secret; amending s. 626.9373, F.S.;