

By Senator Leek

7-00638B-25

20251508__

1 A bill to be entitled
2 An act relating to property insurance claims; amending
3 s. 627.7015, F.S.; establishing a mandatory procedure
4 for resolution of disputed insurance claims; deleting
5 the alternative procedure for resolution of disputed
6 insurance claims; providing legislative intent and
7 purpose; requiring certain entities to administer a
8 specified law in a certain manner; requiring insurers,
9 at specified times, to notify policyholders of the
10 mandatory procedure; requiring the Department of
11 Financial Services to prepare a consumer information
12 pamphlet to be provided to policyholders at a
13 specified time; authorizing a policyholder to file
14 with the Division of Administrative Hearings a
15 petition to resolve claims; specifying requirements
16 for the filing and service of such petition; requiring
17 the administrative law judge to review the petition
18 and dismiss certain petitions; requiring that the
19 petition include a certain certification; specifying
20 that a dismissal of the petition or a portion of the
21 petition is without prejudice and does not require a
22 hearing; requiring the insurer to pay the requested
23 claim or file a response to the petition in a
24 specified timeframe; specifying filing and content
25 requirements for the petition; requiring the
26 administrative law judge to conduct proceedings in a
27 specified manner; providing an exception; requiring
28 the administrative law judge to make a final
29 determination of total coverage within a specified

7-00638B-25

20251508__

30 timeframe; revising the definition of the term
31 "claim"; repealing ss. 627.70151, 627.70152,
32 627.70153, and 627.70154, F.S., relating to appraisal
33 clauses in property insurance contracts, suits arising
34 under a property insurance policy, consolidation of
35 residential property insurance actions, and mandatory
36 binding arbitration of property insurance policies,
37 respectively; creating s. 627.7156, F.S.; specifying
38 that the homeowner's insurance policy insurer is the
39 primary insurer under certain circumstances; requiring
40 such insurer to pay the insured's loss according to
41 specified terms; providing such insurer with the right
42 to seek subrogation; amending ss. 627.351, 627.70131,
43 and 627.7074, F.S.; conforming provisions to changes
44 made by the act; providing an effective date.
45

46 Be It Enacted by the Legislature of the State of Florida:
47

48 Section 1. Section 627.7015, Florida Statutes, is amended
49 to read:

50 627.7015 Mandatory ~~Alternative~~ procedure for resolution of
51 disputed property insurance claims.—

52 (1) This section sets forth a ~~nonadversarial alternative~~
53 dispute resolution procedure for an ~~a mediated claim resolution~~
54 ~~conference prompted by the need for~~ effective, fair, and timely
55 resolution ~~handling~~ of property insurance claims. There is a
56 particular need for a mandatory ~~an informal, nonthreatening~~
57 forum, available at the election of either party, for helping
58 parties ~~who elect this procedure to~~ resolve their claims

7-00638B-25

20251508__

59 disputes regarding ~~because most~~ homeowner and commercial
60 residential insurance policies ~~obligate policyholders to~~
61 ~~participate in a potentially expensive and time-consuming~~
62 ~~adversarial appraisal process before litigation.~~ The procedure
63 set forth in this section is designed to bring the parties
64 together to ensure the efficient delivery of the coverage
65 offered under the policy, helping to restore an owner's property
66 and livelihood to normalcy after a disaster or loss, while
67 maintaining reasonable costs to the insurer ~~for a mediated~~
68 ~~claims settlement conference without any of the trappings or~~
69 ~~drawbacks of an adversarial process.~~ Before participating in
70 ~~resorting to~~ these procedures, policyholders and insurers are
71 encouraged to resolve claims as quickly and fairly as possible.
72 The department, the office, and the Division of Administrative
73 Hearings shall administer this section in a manner that
74 facilitates the self-execution of the system and the process of
75 ensuring a prompt and cost-effective delivery of payments to
76 insureds ~~This section is available with respect to claims under~~
77 ~~personal lines and commercial residential policies before~~
78 ~~commencing the appraisal process, or before commencing~~
79 ~~litigation. Mediation may be requested only by the policyholder,~~
80 ~~as a first-party claimant, a third-party, as an assignee of the~~
81 ~~policy benefits, or the insurer. However, an insurer is not~~
82 ~~required to participate in any mediation requested by a third-~~
83 ~~party assignee of the policy benefits. If requested by the~~
84 ~~policyholder,~~ Participation by legal counsel is permitted but is
85 not required. Expert testimony may be used in the procedure,
86 regardless of whether legal counsel is participating. ~~Mediation~~
87 ~~under this section is also available to litigants referred to~~

7-00638B-25

20251508__

88 ~~the department by a county court or circuit court. This section~~
89 ~~does not apply to commercial coverages, to private passenger~~
90 ~~motor vehicle insurance coverages, or to disputes relating to~~
91 ~~liability coverages in policies of property insurance.~~

92 (2) At the time of issuance and renewal of a policy or at
93 the time a first-party claim within the scope of this section is
94 filed by the policyholder, the insurer shall notify the
95 policyholder of the mandatory procedure ~~its right to participate~~
96 ~~in the mediation program under this section. A claim becomes~~
97 ~~eligible for mediation after the insurer complies with s.~~
98 ~~627.70131(7) or elects to reinspect pursuant to s.~~
99 ~~627.70152(4)(a)3. If the insurer has not complied with s.~~
100 ~~627.70131(7) or elected to reinspect pursuant to s.~~
101 ~~627.70152(4)(a)3. within 90 days after notice of the loss, the~~
102 ~~insurer may not require mediation under this section. This~~
103 ~~subsection does not impair the right of an insurance company to~~
104 ~~request mediation after a determination of coverage pursuant to~~
105 ~~this section or require appraisal or another method of~~
106 ~~alternative dispute resolution pursuant to s. 627.70152(4)(b).~~
107 The department shall prepare a consumer information pamphlet for
108 distribution to be provided to policyholders at the time of
109 issuance and renewal of the policy and upon the Governor's
110 declaration of a state of emergency within the policyholder's
111 county persons participating in mediation.

112 (3) Any policyholder may, for any claim that is ripe, due,
113 and owing, file with the Division of Administrative Hearings a
114 petition to resolve claims which meets the requirements of this
115 section. A policyholder represented by an attorney shall file by
116 electronic means. A policyholder not represented by an attorney

7-00638B-25

20251508__

117 may file by certified mail or by electronic means. The
118 department shall inform policyholders of the location of the
119 Division of Administrative Hearings and the division's website
120 address for purposes of filing a petition for resolving a claim.
121 The policyholder shall also serve copies of the petition to
122 resolve claims by certified mail, or by electronic means, upon
123 the insurer. The costs of the procedure ~~mediation~~ must be
124 reasonable, and the insurer must bear all of the cost of
125 conducting ~~mediation~~ conferences, except as otherwise provided
126 in this section. If a policyholder fails to appear at the
127 conference, the conference must be rescheduled upon the
128 policyholder's payment of the costs of a rescheduled conference.
129 If the insurer fails to appear at the conference, the insurer
130 must pay the policyholder's actual cash expenses incurred in
131 attending the conference ~~if the insurer's failure to attend was~~
132 ~~not due to a good cause acceptable to the department.~~ An insurer
133 will be deemed to have failed to appear if the insurer's
134 representative lacks authority to settle the full value of the
135 claim. The insurer shall incur an additional fee for a
136 rescheduled conference necessitated by the insurer's failure to
137 appear at a scheduled conference. The fees assessed by the
138 department must include a charge necessary to defray the
139 expenses of the department related to its duties under this
140 section and must be deposited in the Insurance Regulatory Trust
141 Fund. The department may suspend the insurer's authority to
142 appoint licensees if the insurer does not timely pay the
143 required fees.

144 (4) Upon receipt of the petition, the administrative law
145 judge shall review it and shall dismiss any petition or any

7-00638B-25

20251508__

146 portion of such a petition which does not on its face
147 specifically identify or itemize all of the following
148 information:

149 (a) The policyholder's name, address, telephone number, and
150 social security number.

151 (b) The insurer's name, address, and telephone number.

152 (c) A detailed description of the loss or damage, including
153 the date it occurred.

154 (d) The alleged acts or omissions of the insurer giving
155 rise to the dispute, including, if applicable, a denial of
156 coverage.

157 (e) An estimate of damages, if known, and the amount that
158 is disputed by the insurer.

159 (f) A specific explanation of any other disputed issue that
160 the administrative law judge will be called to rule upon ~~The~~
161 ~~department shall adopt by rule a property insurance mediation~~
162 ~~program to be administered by the department or its designee.~~
163 ~~The department may also adopt special rules which are applicable~~
164 ~~in cases of an emergency within the state. The rules shall be~~
165 ~~modeled after practices and procedures set forth in mediation~~
166 ~~rules of procedure adopted by the Supreme Court. The rules shall~~
167 ~~provide for:~~

168 ~~(a) Reasonable requirement for processing and scheduling of~~
169 ~~requests for mediation.~~

170 ~~(b) Qualifications, denial of application, suspension,~~
171 ~~revocation of approval, and other penalties for mediators as~~
172 ~~provided in s. 627.745 and the Florida Rules for Certified and~~
173 ~~Court-Appointed Mediators.~~

174 ~~(c) Provisions governing who may attend mediation~~

7-00638B-25

20251508__

175 conferences.

176 ~~(d) Selection of mediators.~~

177 ~~(e) Criteria for the conduct of mediation conferences.~~

178 ~~(f) Right to legal counsel.~~

179 (5) The petition must include a certification by the
180 policyholder or, if the policyholder is represented by counsel,
181 the policyholder's attorney, stating that the policyholder, or
182 attorney if the policyholder is represented by counsel, has made
183 a good faith effort to resolve the dispute and that the
184 policyholder or attorney was unable to resolve the dispute with
185 the insurer ~~All statements made and documents produced at a~~
186 ~~mediation conference shall be deemed to be settlement~~
187 ~~negotiations in anticipation of litigation within the scope of~~
188 ~~s. 90.408. All parties to the mediation must negotiate in good~~
189 ~~faith and must have the authority to immediately settle the~~
190 ~~claim. Mediators are deemed to be agents of the department and~~
191 ~~shall have the immunity from suit provided in s. 44.107.~~

192 (6)(a) The dismissal of any petition or portion of such a
193 petition under this section is without prejudice and does not
194 require a hearing ~~Mediation is nonbinding; however, if a written~~
195 ~~settlement is reached, the policyholder has 3 business days~~
196 ~~within which the policyholder may rescind the settlement unless~~
197 ~~the policyholder has cashed or deposited any check or draft~~
198 ~~disbursed to the policyholder for the disputed matters as a~~
199 ~~result of the conference. If a settlement agreement is reached~~
200 ~~and is not rescinded, it is binding and acts as a release of all~~
201 ~~specific claims that were presented in that mediation~~
202 ~~conference.~~

203 ~~(b) At the conclusion of the mediation, the mediator shall~~

7-00638B-25

20251508__

204 ~~provide a written report of the results of mediation, including~~
205 ~~any settlement amount, to the insurer, the policyholder, and the~~
206 ~~policyholder's representative if the policyholder is represented~~
207 ~~at the mediation.~~

208 (7) All motions to dismiss must be handled as specified in
209 s. 440.192(5) If the insurer fails to comply with subsection (2)
210 by failing to notify a policyholder of its right to participate
211 in the mediation program under this section or if the insurer
212 requests the mediation, and the mediation results are rejected
213 by either party, the policyholder is not required to submit to
214 or participate in any contractual loss appraisal process of the
215 property loss damage as a precondition to legal action for
216 breach of contract against the insurer for its failure to pay
217 the policyholder's claims covered by the policy.

218 (8) Within 14 days after receipt of a petition to resolve
219 claims by certified mail or by electronic means, the insurer
220 must pay the requested claim or file a response to the petition
221 with the Division of Administrative Hearings. If the insurer
222 files a response to the petition, the response must be filed by
223 electronic means. Such response must specify all claims
224 requested but not paid and explain the insurer's reason for
225 nonpayment. The insurer shall provide copies of the response to
226 the policyholder by certified mail or by electronic means. In
227 ruling on the petition and response to the petition, the
228 administrative law judge shall conduct proceedings in a manner
229 consistent with the process outlined in s. 440.25, except that
230 the administrative law judge shall make a determination within
231 60 days after the filing of the petition of the policyholder's
232 coverage under the insurance policy. After determining coverage,

7-00638B-25

20251508__

233 the administrative law judge shall make a final determination of
234 the total coverage amount within 180 days after the filing of
235 the petition, which must be paid to the policyholder or held in
236 escrow on the policyholder's behalf until exhausted for covered
237 claims ~~The department may designate an entity or person to serve~~
238 ~~as administrator to carry out any of the provisions of this~~
239 ~~section and may take this action by means of a written contract~~
240 ~~or agreement.~~

241 (9) For purposes of this section, the term "claim" refers
242 to any dispute between an insurer and a policyholder relating to
243 a material issue of fact other than a dispute:

244 (a) With respect to which the insurer has a reasonable
245 basis to suspect fraud;

246 (b) When the insurer has determined, ~~based on agreed-upon~~
247 ~~facts as to the cause of loss~~, there is no coverage under the
248 policy;

249 (c) With respect to which the insurer has a reasonable
250 basis to believe that the policyholder has intentionally made a
251 material misrepresentation of fact which is relevant to the
252 claim, and the entire request for payment of a loss has been
253 denied on the basis of the material misrepresentation;

254 (d) With respect to which the amount in controversy is less
255 than \$500, unless the parties agree to mediate a dispute
256 involving a lesser amount; or

257 (e) With respect to a loss that does not comply with s.
258 627.70132.

259 Section 2. Section 627.70151, Florida Statutes, is
260 repealed.

261 Section 3. Section 627.70152, Florida Statutes, is

7-00638B-25

20251508__

262 repealed.

263 Section 4. Section 627.70153, Florida Statutes, is
264 repealed.

265 Section 5. Section 627.70154, Florida Statutes, is
266 repealed.

267 Section 6. Section 627.70156, Florida Statutes, is created
268 to read:

269 627.70156 Coordination of payment of claims.—If a claim is
270 submitted under a homeowner's insurance policy and the insured
271 also has a separate windstorm or flood insurance policy, the
272 homeowner's insurer is the primary insurer. Such insurer must
273 pay the insured's loss according to the terms of the homeowner's
274 insurance policy and has the right to seek subrogation from the
275 windstorm or flood insurer.

276 Section 7. Paragraph (11) of subsection (6) of section
277 627.351, Florida Statutes, is amended to read:

278 627.351 Insurance risk apportionment plans.—

279 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

280 (11)1. In addition to any other method of alternative
281 dispute resolution authorized by state law, the corporation may
282 adopt policy forms that provide for the resolution of disputes
283 regarding its claim determinations, including disputes regarding
284 coverage for, or the scope and value of, a claim, in a
285 proceeding before the Division of Administrative Hearings. ~~Any~~
286 ~~such policies are not subject to s. 627.70154.~~ All proceedings
287 in the Division of Administrative Hearings pursuant to such
288 policies are subject to ss. 57.105 and 768.79 as if filed in the
289 courts of this state and are not considered chapter 120
290 administrative proceedings. Rule 1.442, Florida Rules of Civil

7-00638B-25

20251508__

291 Procedure, applies to any offer served pursuant to s. 768.79,
292 except that, notwithstanding any provision in Rule 1.442,
293 Florida Rules of Civil Procedure, to the contrary, an offer
294 shall not be served earlier than 10 days after filing the
295 request for hearing with the Division of Administrative Hearings
296 and shall not be served later than 10 days before the date set
297 for the final hearing. The administrative law judge in such
298 proceedings shall award attorney fees and other relief pursuant
299 to ss. 57.105 and 768.79. The corporation may not seek, and the
300 office may not approve, a maximum hourly rate for attorney fees.

301 2. The corporation may contract with the division to
302 conduct proceedings to resolve disputes regarding its claim
303 determinations as may be provided for in the applicable policies
304 of insurance. This subparagraph expires July 1, 2025.

305 Section 8. Paragraph (a) of subsection (8) of section
306 627.70131, Florida Statutes, is amended to read:

307 627.70131 Insurer's duty to acknowledge communications
308 regarding claims; investigation.—

309 (8) The requirements of this section are tolled:

310 (a) During the pendency of any ~~mediation~~ proceeding under
311 s. 627.7015 or any alternative dispute resolution proceeding
312 provided for in the insurance contract. The tolling period ends
313 upon the end of the proceeding ~~mediation~~ or alternative dispute
314 resolution proceeding.

315 Section 9. Subsection (3) of section 627.7074, Florida
316 Statutes, is amended to read:

317 627.7074 Alternative procedure for resolution of disputed
318 sinkhole insurance claims.—

319 (3) If there is coverage available under the policy and the

7-00638B-25

20251508__

320 claim was submitted within the timeframe provided in s.
321 627.706(5), following the receipt of the report provided under
322 s. 627.7073 or the denial of a claim for a sinkhole loss, the
323 insurer shall notify the policyholder of his or her right to
324 participate in the neutral evaluation program under this
325 section. ~~Neutral evaluation supersedes the alternative dispute~~
326 ~~resolution process under s. 627.7015 but does not invalidate the~~
327 ~~appraisal clause of the insurance policy.~~ The insurer shall
328 provide to the policyholder the consumer information pamphlet
329 prepared by the department pursuant to subsection (1)
330 electronically or by United States mail.

331 Section 10. This act shall take effect July 1, 2025.