

1                   A bill to be entitled  
2           An act relating to the resolution of disputed property  
3           insurance claims; amending s. 627.7015, F.S.;  
4           requiring, rather than authorizing, parties in a  
5           property insurance claim dispute to participate in  
6           mediation; providing that mediation is a condition  
7           precedent to commencing litigation; deleting  
8           provisions relating to the eligibility of claims for  
9           mediation; providing that the parties may mutually  
10          agree to conduct the mediation by teleconference or  
11          other electronic means; requiring all insureds, or  
12          their representatives, to personally attend the  
13          mediation; revising and specifying duties relating to  
14          bearing certain costs of mediation; requiring, rather  
15          than authorizing, the Department of Financial Services  
16          to adopt certain rules; authorizing the department to  
17          adopt certain emergency rules; requiring the  
18          policyholder to provide the insurer with any  
19          information and certain documents within a specified  
20          timeframe after mediation is invoked; revising  
21          conditions under which a policyholder has a certain  
22          timeframe to rescind a settlement; revising the  
23          definition of the term "claim"; providing and revising  
24          construction; amending s. 627.7074, F.S.; conforming a  
25          provision to changes made by the act; providing an

26 appropriation; providing effective dates.

27

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

29

30 **Section 1. Section 627.7015, Florida Statutes, is amended**  
 31 **to read:**

32 627.7015 Mandatory mediation ~~Alternative procedure~~ for  
 33 resolution of disputed property insurance claims.—

34 (1) This section sets forth a nonadversarial ~~alternative~~  
 35 dispute resolution procedure for a mediated claim resolution  
 36 conference prompted by the need for effective, fair, and timely  
 37 handling of property insurance claims. There is a particular  
 38 need for an informal, nonthreatening forum for helping parties  
 39 ~~who elect this procedure to~~ resolve their claims disputes  
 40 because most homeowner and commercial residential insurance  
 41 policies obligate policyholders to participate in a potentially  
 42 expensive and time-consuming adversarial appraisal process  
 43 before litigation. The procedure set forth in this section is  
 44 designed to bring the parties together for a mediated claims  
 45 settlement conference without any of the trappings or drawbacks  
 46 of an adversarial process. Before participating in ~~resorting to~~  
 47 these procedures, policyholders and insurers are encouraged to  
 48 resolve claims as quickly and fairly as possible. This section  
 49 applies ~~is available with respect~~ to claims under personal lines  
 50 and commercial residential policies before commencing the

51 appraisal process and is a condition precedent to, ~~or before~~  
52 commencing litigation. ~~Mediation may be requested only by the~~  
53 ~~policyholder, as a first-party claimant, a third-party, as an~~  
54 ~~assignee of the policy benefits, or the insurer. However,~~ An  
55 insurer is not required to participate in any mediation  
56 requested by a third-party assignee of the policy benefits. ~~If~~  
57 ~~requested by the policyholder,~~ Participation by legal counsel is  
58 permitted. Mediation under this section is also required of  
59 ~~available to~~ litigants referred to the department by a county  
60 court or circuit court. This section does not apply to  
61 commercial coverages, to private passenger motor vehicle  
62 insurance coverages, or to disputes relating to liability  
63 coverages in policies of property insurance.

64 (2) At the time of issuance and renewal of a policy or at  
65 the time a first-party claim within the scope of this section is  
66 filed by the policyholder, the insurer shall notify the  
67 policyholder of ~~its right to participate in the~~ mandatory  
68 mediation program under this section. ~~A claim becomes eligible~~  
69 ~~for mediation after the insurer complies with s. 627.70131(7) or~~  
70 ~~elects to reinspect pursuant to s. 627.70152(4)(a)3. If the~~  
71 ~~insurer has not complied with s. 627.70131(7) or elected to~~  
72 ~~reinspect pursuant to s. 627.70152(4)(a)3. within 90 days after~~  
73 ~~notice of the loss, the insurer may not require mediation under~~  
74 ~~this section. This subsection does not impair the right of an~~  
75 ~~insurance company to request mediation after a determination of~~

76 ~~coverage pursuant to this section or require appraisal or~~  
77 ~~another method of alternative dispute resolution pursuant to s.~~  
78 ~~627.70152(4)(b).~~ The department shall prepare a consumer  
79 information pamphlet for distribution to persons participating  
80 in mediation.

81 (3) If the parties mutually agree, mediation may be  
82 conducted by teleconference or other electronic means in lieu of  
83 appearing in person. All named insureds, or their  
84 representatives, must attend the mediation, regardless of how it  
85 is conducted. The costs of mediation must be reasonable, and the  
86 insurer must bear all of the cost of conducting mediation  
87 conferences, except as otherwise provided in this section. If a  
88 named insured or his or her representative ~~policyholder~~ fails to  
89 appear at the conference, thus preventing the mediation from  
90 proceeding, the conference must be rescheduled upon the  
91 policyholder's payment of the costs of a rescheduled conference.  
92 If the insurer fails to appear at the conference, the insurer  
93 must pay the policyholder's actual cash expenses incurred in  
94 attending the conference if the insurer's failure to attend was  
95 not due to a good cause acceptable to the department. An insurer  
96 is ~~will be~~ deemed to have failed to appear if the insurer's  
97 representative lacks authority to settle the full value of the  
98 claim. The insurer shall incur an additional fee for a  
99 rescheduled conference necessitated by the insurer's failure to  
100 appear at a scheduled conference. The fees assessed by the

101 department must include a charge necessary to defray the  
 102 expenses of the department related to its duties under this  
 103 section and must be deposited in the Insurance Regulatory Trust  
 104 Fund. The department may suspend the insurer's authority to  
 105 appoint licensees if the insurer does not timely pay the  
 106 required fees. If a party elects to request an expert or a  
 107 representative to attend the mediation, that party must bear any  
 108 costs for the attendance of the expert or representative.

109 (4) The department shall adopt by rule a property  
 110 insurance mediation program to be administered by the department  
 111 or its designee. The department shall ~~may~~ also adopt special  
 112 rules that ~~which~~ are applicable in cases of an emergency within  
 113 this the state, including emergency rules as necessary to  
 114 establish physical addresses for the mediation program in areas  
 115 affected by natural disasters. The rules shall be modeled after  
 116 practices and procedures set forth in mediation rules of  
 117 procedure adopted by the Supreme Court. The rules shall provide  
 118 for:

119 (a) Reasonable requirements ~~requirement~~ for processing and  
 120 scheduling of requests for mediation.

121 (b) Qualifications for and~~7~~ denial of application, and  
 122 suspension and~~7~~ revocation of its approval, and other penalties  
 123 for mediators as provided in s. 627.745 and the Florida Rules  
 124 for Certified and Court-Appointed Mediators.

125 (c) Provisions governing who may attend mediation

126 conferences.

127 (d) Selection of mediators.

128 (e) Criteria for the conduct of mediation conferences.

129 (f) Right to legal counsel.

130 (5) (a) All statements made and documents produced at a  
131 mediation conference shall be deemed to be settlement  
132 negotiations in anticipation of litigation within the scope of  
133 s. 90.408. All parties to the mediation must negotiate in good  
134 faith and must have the authority to immediately settle the  
135 claim. Mediators are deemed to be agents of the department and  
136 shall have the immunity from suit provided in s. 44.107.

137 (b) Within 10 days after mediation is invoked, the  
138 policyholder must provide to the insurer any information and  
139 supporting documents that serve as the basis for the claim.

140 (6) (a) Mediation is nonbinding; however, if a written  
141 settlement is reached and the policyholder is not represented by  
142 an attorney or a public adjuster, the policyholder has 3  
143 business days within which the policyholder may rescind the  
144 settlement unless the policyholder has cashed or deposited any  
145 check or draft disbursed to the policyholder for the disputed  
146 matters as a result of the conference. If a settlement agreement  
147 is reached and is not rescinded, it is binding and acts as a  
148 release of all specific claims that were presented in that  
149 mediation conference.

150 (b) At the conclusion of the mediation, the mediator shall

151 provide a written report of the results of mediation, including  
152 any settlement amount, to the insurer, the policyholder, and the  
153 policyholder's representative if the policyholder is represented  
154 at the mediation.

155 (7) If the insurer fails to comply with subsection (2) by  
156 failing to notify a policyholder of ~~its right to participate in~~  
157 the mandatory mediation program under this section or if ~~the~~  
158 ~~insurer requests the mediation, and~~ the mediation results are  
159 rejected by either party, the policyholder is not required to  
160 submit to or participate in any contractual loss appraisal  
161 process of the property loss damage as a precondition to legal  
162 action for breach of contract against the insurer for its  
163 failure to pay the policyholder's claims covered by the policy.

164 (8) The department may designate an entity or person to  
165 serve as administrator to carry out any of the provisions of  
166 this section and may take this action by means of a written  
167 contract or agreement.

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

171 (a) With respect to which the insurer has a reasonable  
172 basis to suspect fraud;

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

176 (c) With respect to which the insurer has a reasonable  
 177 basis to believe that the policyholder has intentionally made a  
 178 material misrepresentation of fact which is relevant to the  
 179 claim, and the entire request for payment of a loss has been  
 180 denied on the basis of the material misrepresentation;

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

184 (e) With respect to a loss that does not comply with s.  
 185 627.70132.

186 (10) Participation in mediation under this section before  
 187 the policyholder's filing of a notice under s. 627.70152 does  
 188 not prohibit or waive an insurer's right to invoke and  
 189 participate in mediation under this section in response to the  
 190 notice.

191 **Section 2. Subsection (3) of section 627.7074, Florida**  
 192 **Statutes, is amended to read:**

193 627.7074 Alternative procedure for resolution of disputed  
 194 sinkhole insurance claims.—

195 (3) If there is coverage available under the policy and  
 196 the claim was submitted within the timeframe provided in s.  
 197 627.706(5), following the receipt of the report provided under  
 198 s. 627.7073 or the denial of a claim for a sinkhole loss, the  
 199 insurer shall notify the policyholder of his or her right to  
 200 participate in the neutral evaluation program under this



201 section. Neutral evaluation supersedes the mediation ~~alternative~~  
202 ~~dispute resolution~~ process under s. 627.7015 but does not  
203 invalidate the appraisal clause of the insurance policy. The  
204 insurer shall provide to the policyholder the consumer  
205 information pamphlet prepared by the department pursuant to  
206 subsection (1) electronically or by United States mail.

207 **Section 3.** Effective July 1, 2025, for the 2025-2026  
208 fiscal year, the sum of \$1 million in recurring funds is  
209 appropriated from the Insurance Regulatory Trust Fund to the  
210 Department of Financial Services for the purpose of  
211 administering the amendment made by this act to s. 627.7015,  
212 Florida Statutes.

213 **Section 4.** Except as otherwise expressly provided in this  
214 act and except for this section, which shall take effect July 1,  
215 2025, this act shall take effect January 1, 2026.