

## Committee on Banking and Insurance

### **CS/CS/SB 1598 — Consumer Protection**

by Appropriations Committee; Banking and Insurance Committee; and Senator Gruters

The bill amends several insurance-related provisions to provide greater protections for consumers and oversight of public adjusters and residential property insurers.

#### **Public Adjusters**

- Prohibits a licensed contractor or subcontractor from advertising, soliciting, offering to handle, handling, or performing public adjuster services, unless licensed and compliant as a public adjuster.
- Specifies that entities must comply with s. 626.8696, F.S., with respect to possessing an adjusting firm license, provides an exception for adjusting firm's branch place of business if certain requirements are met; and authorizes administrative penalties for noncompliance with licensure requirements.
- Increases the cooling-off period from 3 to 10 days during which a consumer may cancel his or her contract with a public adjuster.
- Requires each public adjuster to provide an estimate of the loss to the claimant or insured within 60 days after the execution of the public adjuster contract and specifies that the written estimate of loss of the public adjuster must include an itemized, per-unit estimate of the repairs.
- Prohibits a person other than a licensed public adjuster or attorney from advertising services that require a license as a public adjuster or offering to initiate or negotiate a claim on behalf of an insured.
- Prohibits a public adjuster, public adjuster apprentice, or public adjusting firm that solicits a claim and does not enter into a contract with an insured or third-party claimant, from charging or receiving payment from an insured or a third-party claimant.
- Eliminates the \$60 initial licensure fee and renewal fees for an adjusting firm license.

#### **Residential Property Insurers; Surplus Lines Insurers**

- Requires a residential property insurer to initiate a claim investigation within 14 days of receiving a proof of loss statement; current law provides 10 business days.
- Directs insurers to provide to policyholders the adjuster's name and state adjuster license number when a claim investigation involves a physical inspection of the property, and to maintain a record of each adjuster who communicates with the policyholder.
- Requires the insurer to provide notices that explain when the insurer is providing a preliminary or partial estimate or making a claim payment that is not the full and final payment for the claim.
- Directs insurers to provide the Homeowner Claims Bill of Rights pursuant to any personal lines residential property insurance claim and adds notice regarding the right to receive interest and the utility of taking video of damages and repairs.

- Expands the definition of sliding, a practice that violates the Unfair Insurance Trade Practices, to include:
  - Initiating, effectuating, binding, or otherwise issuing an insurance policy without the prior informed consent of the person who owns the property that will be insured.
  - Submitting an invoice for premium payment to a mortgagee or escrow agent in order to institute an insurance policy without the prior informed consent of the owner of the property, with exceptions.
- Requires that, prior to the placement of an insured with a surplus lines insurer, a disclosure must be provided to the insured that the Florida Insurance Guaranty Association (FIGA) does not provide any protections for persons insured by a surplus lines carrier that becomes insolvent.
- Applies the property insurance claim investigation and communication requirements of s. 627.70131, F.S., to surplus lines insurers.

### **Other Provisions**

- Requires an entity regulated by the Department of Financial Services (DFS) or the Office of Insurance Regulation to respond to document requests from the Division of Consumer Services of DFS, and authorizes the department to impose penalties for noncompliance.
- Requires insurance agencies whose name contains the word “Medicare” or “Medicaid,” to delete those words from the agency name no later than June 30, 2023.
- Authorizes DFS to suspend, revoke, or refuse to issue the license of an insurance agent, adjuster, customer representative, service representative, or managing general agent that makes a consumer’s personal financial or medical information available to the public, or initiates without the request of a prospective customer in-person or telephone solicitation after 9 p.m. or before 8 a.m. local time of the prospective customer.
- Requires insurers to include information regarding the free financial literacy programs offered by DFS at the time the insurer informs an applicant or insured that a credit report or score is being requested for underwriting or rating purposes.
- Eliminates the \$100 deductible an insured must pay to the Florida Insurance Guaranty Association in order to receive payment on their claim through the association.
- Revises the definition of a “covered claim,” for purposes of the Florida Workers’ Compensation Insurance Guaranty Association, to exclude the return of premium resulting from a policy that was not in force on the date of the final order of liquidation.
- Prohibits the sale of industrial life insurance policies, effective July 1, 2021.

If approved by the Governor, these provisions take effect upon becoming law, except where otherwise provided.

*Vote: Senate 34-3; House 114-1*