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Proposed Committee Substitute by the Committee on Appropriations
(Appropriations Subcommittee on Agriculture, Environment, and
General Government)

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



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27 may take certain actions against a license,
28 appointment, or application of certain insurance
29 representatives; amending ss. 626.782 and 626.783,
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; amending s. 626.916, F.S.; revising
51 disclosure requirements for certain classes of
52 insurance before being eligible for export under the
53 Surplus Lines Law; amending s. 626.9541, F.S.; adding
54 certain acts or practices to the definition of
55 sliding; amending s. 626.9741, F.S.; requiring an



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56 insurer to include certain additional information when
57 providing an applicant or insured with certain credit
58 report or score information; amending s. 626.9953,
59 F.S.; correcting a cross-reference; amending ss.
60 626.9957 and 627.062, F.S.; conforming cross-
61 references; amending s. 627.502, F.S.; prohibiting
62 life insurers from writing new policies of industrial
63 life insurance beginning on a certain date; making
64 technical changes; amending s. 627.70131, F.S.;
65 providing that a communication made to or by an
66 insurer's representative, rather than to or by an
67 insurer's agent, constitutes communication to or by
68 the insurer; revising the timeframe for insurers to
69 begin certain investigations; requiring an insurer-
70 assigned licensed adjuster to provide the policyholder
71 with certain information in certain investigations;
72 requiring insurers to maintain certain records and
73 provide certain lists upon request; requiring insurers
74 to include specified notices when providing
75 preliminary or partial damage estimates or claim
76 payments; providing applicability; conforming
77 provisions to changes made by the act; creating s.
78 627.7031, F.S.; prohibiting foreign venue clauses in
79 property insurance policies; providing applicability;
80 amending s. 627.7142, F.S.; revising information
81 contained in the Homeowner Claims Bill of Rights;
82 conforming provisions to changes made by the act;
83 amending s. 631.57, F.S.; deleting a deductible on the
84 obligation of the Florida Insurance Guaranty



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85 Association, Incorporated, as to certain covered
86 claims; amending s. 631.904, F.S.; revising the
87 definition of the term "covered claim"; deleting a
88 requirement that a policy be in force on the date of
89 the final order of liquidation; providing effective
90 dates.

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

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

96 501.0051 Protected consumer report security freeze.-

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

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

105 Section 2. Paragraph (b) of subsection (10) of section
106 624.307, Florida Statutes, is amended to read:

107 624.307 General powers; duties.-

108 (10)

109 (b) Any person licensed or issued a certificate of
110 authority by the department or the office shall respond, in
111 writing, to the division within 20 days after receipt of a
112 written request for documents and information from the division
113 concerning a consumer complaint. The response must address the



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114 issues and allegations raised in the complaint and include any
115 requested documents concerning the consumer complaint not
116 subject to attorney-client or work-product privilege. The
117 division may impose an administrative penalty for failure to
118 comply with this paragraph of up to \$2,500 per violation upon
119 any entity licensed by the department or the office and \$250 for
120 the first violation, \$500 for the second violation, and up to
121 \$1,000 for the third or subsequent violation upon any individual
122 licensed by the department or the office.

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

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

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

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

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

141 (7)

142 ~~(d) Effective October 1, 2015, the department must~~



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143 ~~automatically convert the registration of an approved registered~~
144 ~~insurance agency to an insurance agency license.~~

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

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

- 160 1. It transacts business under the same name and federal
161 tax identification number as the licensed adjusting firm;
162 2. It has designated with the department a primary adjuster
163 operating the location as required by s. 626.8695; and
164 3. The address and telephone number of the branch location
165 have been submitted to the department for inclusion in the
166 licensing record of the licensed adjusting firm within 30 days
167 after insurance transactions begin at the branch location.

168 (c) If an adjusting firm is required to be licensed but
169 fails to apply for licensure in accordance with this subsection,
170 the department must impose an administrative penalty of up to
171 \$10,000 on the firm.



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172 ~~(10)(9)~~ Any person who knowingly transacts insurance or
173 otherwise engages in insurance activities in this state without
174 a license in violation of this section or who knowingly aids or
175 abets an unlicensed person in transacting insurance or otherwise
176 engaging in insurance activities in this state without a license
177 commits a felony of the third degree, punishable as provided in
178 s. 775.082, s. 775.083, or s. 775.084.

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

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

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

194 Section 6. Subsections (16) and (17) are added to section
195 626.621, Florida Statutes, to read:

196 626.621 Grounds for discretionary refusal, suspension, or
197 revocation of agent's, adjuster's, customer representative's,
198 service representative's, or managing general agent's license or
199 appointment.—The department may, in its discretion, deny an
200 application for, suspend, revoke, or refuse to renew or continue



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201 the license or appointment of any applicant, agent, adjuster,
202 customer representative, service representative, or managing
203 general agent, and it may suspend or revoke the eligibility to
204 hold a license or appointment of any such person, if it finds
205 that as to the applicant, licensee, or appointee any one or more
206 of the following applicable grounds exist under circumstances
207 for which such denial, suspension, revocation, or refusal is not
208 mandatory under s. 626.611:

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

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

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

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

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

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

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



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

233 626.854 "Public adjuster" defined; prohibitions.—The
234 Legislature finds that it is necessary for the protection of the
235 public to regulate public insurance adjusters and to prevent the
236 unauthorized practice of law.

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



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259 (11) Each public adjuster must provide to the claimant or
260 insured a written estimate of the loss to assist in the
261 submission of a proof of loss or any other claim for payment of
262 insurance proceeds within 60 days after the date of the
263 contract. The written estimate must include an itemized, per-
264 unit estimate of the repairs, including itemized information on
265 equipment, materials, labor, and supplies, in accordance with
266 accepted industry standards. The public adjuster shall retain
267 such written estimate for at least 5 years and shall make the
268 estimate available to the claimant or insured, the insurer, and
269 the department upon request.

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

287 (19) Except as otherwise provided in this chapter, no



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288 person, except an attorney at law or a licensed public adjuster,
289 may for money, commission, or any other thing of value, directly
290 or indirectly:

291 (a) Prepare, complete, or file an insurance claim for an
292 insured or a third-party claimant;

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

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

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

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

302 (20) The department may take administrative actions and
303 impose fines against any persons performing claims adjusting as
304 defined in s. 626.015(6) or any other services as described in
305 this section without the licensure required under this section
306 and s. 626.112.

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

310 626.916 Eligibility for export.—

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

313 (f) The insured has signed or otherwise provided documented
314 acknowledgment of a disclosure in substantially the following
315 form: "You are agreeing to place coverage in the surplus lines
316 market. Coverage may be available in the admitted market.



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317 Persons insured by surplus lines carriers are not protected
318 under the Florida Insurance Guaranty Act with respect to any
319 right of recovery for the obligation of an insolvent unlicensed
320 insurer."

321 (3) (a) Subsection (1) does not apply to wet marine and
322 transportation or aviation risks that ~~which~~ are subject to s.
323 626.917.

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

327 1. The insurance must be placed only by or through a
328 surplus lines agent licensed in this state;

329 2. The insurer must be made eligible under s. 626.918; and

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

343 Section 12. Paragraph (z) of subsection (1) of section
344 626.9541, Florida Statutes, is amended to read:

345 626.9541 Unfair methods of competition and unfair or



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346 deceptive acts or practices defined.-

347 (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE
348 ACTS.-The following are defined as unfair methods of competition
349 and unfair or deceptive acts or practices:

350 (z) *Sliding*.-Sliding is the act or practice of any of the
351 following:

352 1. Representing to the applicant that a specific ancillary
353 coverage or product is required by law in conjunction with the
354 purchase of insurance when such coverage or product is not
355 required.~~†~~

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

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

362 4. Initiating, effectuating, binding, or otherwise issuing
363 a policy of insurance without the prior informed consent of the
364 owner of the property to be insured.

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

374 Section 13. Effective January 1, 2022, subsection (3) of



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375 section 626.9741, Florida Statutes, is amended to read:

376 626.9741 Use of credit reports and credit scores by
377 insurers.—

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

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

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



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404 requirements of this subsection. It shall not be deemed an
405 adverse decision if, due to the insured's credit report or
406 credit score, the insured continues to receive a less favorable
407 rate or placement in a less favorable tier or company at the
408 time of renewal except for renewals or reunderwriting required
409 by this section.

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

412 626.9953 Qualifications for registration; application
413 required.—

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

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

429 626.9957 Conduct prohibited; denial, revocation, or
430 suspension of registration.—

431 (1) As provided in s. 626.112, only a person licensed as an
432 insurance agent or customer representative may engage in the



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433 solicitation of insurance. A person who engages in the
434 solicitation of insurance as described in s. 626.112(1) without
435 such license is subject to the penalties provided under s.
436 626.112(10) ~~s. 626.112(9)~~.

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

439 627.062 Rate standards.—

440 (10) Any interest paid pursuant to s. 627.70131(7) ~~s.~~
441 ~~627.70131(5)~~ may not be included in the insurer's rate base and
442 may not be used to justify a rate or rate change.

443 Section 17. Section 627.502, Florida Statutes, is amended
444 to read:

445 627.502 "Industrial life insurance" defined; reporting;
446 prohibition on new policies after a certain date.—

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

455 (2) Every life insurer servicing existing ~~transacting~~
456 industrial life insurance shall report to the office all annual
457 statement data regarding the exhibit of life insurance,
458 including relevant information for industrial life insurance.

459 (3) Beginning July 1, 2021, a life insurer may not write a
460 new policy of industrial life insurance.

461 Section 18. Effective January 1, 2022, section 627.70131,



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462 Florida Statutes, is amended to read:

463 627.70131 Insurer's duty to acknowledge communications
464 regarding claims; investigation.—

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

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

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

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

490 (3) (a) Unless otherwise provided by the policy of insurance



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491 or by law, within 14 ~~10 working~~ days after an insurer receives
492 proof of loss statements, the insurer shall begin such
493 investigation as is reasonably necessary unless the failure to
494 begin such investigation is caused by factors beyond the control
495 of the insurer which reasonably prevent the commencement of such
496 investigation.

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

501 (c) Any subsequent communication with the policyholder
502 regarding the claim must also include the name and license
503 number of the adjuster communicating about the claim.
504 Communication of the adjuster's name and license number may be
505 included with other information provided to the policyholder.

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

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

512 (6) (a) When providing a preliminary or partial estimate of
513 damage regarding a claim, an insurer shall include with the
514 estimate the following statement printed in at least 12-point
515 bold, uppercase type: THIS ESTIMATE REPRESENTS OUR CURRENT
516 EVALUATION OF THE COVERED DAMAGES TO YOUR INSURED PROPERTY AND
517 MAY BE REVISED AS WE CONTINUE TO EVALUATE YOUR CLAIM. IF YOU
518 HAVE QUESTIONS, CONCERNS, OR ADDITIONAL INFORMATION REGARDING
519 YOUR CLAIM, WE ENCOURAGE YOU TO CONTACT US.



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

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



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

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

553 2. A claim for structural or contents coverage under a
554 commercial property insurance policy if the insured structure is
555 10,000 square feet or less; or

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

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

561 (8) This section also applies to surplus lines insurers and
562 surplus lines insurance authorized under ss. 626.913-626.937
563 providing personal residential coverage.

564 Section 19. Section 627.7031, Florida Statutes, is created
565 to read:

566 627.7031 Foreign venue clauses prohibited.—After July 1,
567 2021, a personal residential property insurance policy sold in
568 this state, insuring only real property located in this state,
569 may not require an insured to pursue dispute resolution through
570 litigation, arbitration, or mediation outside this state. This
571 section also applies to surplus lines insurers and surplus lines
572 insurance authorized under ss. 626.913-626.937.

573 Section 20. Effective January 1, 2022, section 627.7142,
574 Florida Statutes, is amended to read:

575 627.7142 Homeowner Claims Bill of Rights.—An insurer
576 issuing a personal lines residential property insurance policy
577 in this state must provide a Homeowner Claims Bill of Rights to



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578 a policyholder within 14 days after receiving an initial
579 communication with respect to a claim, ~~unless the claim follows~~
580 ~~an event that is the subject of a declaration of a state of~~
581 ~~emergency by the Governor.~~ The purpose of the bill of rights is
582 to summarize, in simple, nontechnical terms, existing Florida
583 law regarding the rights of a personal lines residential
584 property insurance policyholder who files a claim of loss. The
585 Homeowner Claims Bill of Rights is specific to the claims
586 process and does not represent all of a policyholder's rights
587 under Florida law regarding the insurance policy. The Homeowner
588 Claims Bill of Rights does not create a civil cause of action by
589 any individual policyholder or class of policyholders against an
590 insurer or insurers. The failure of an insurer to properly
591 deliver the Homeowner Claims Bill of Rights is subject to
592 administrative enforcement by the office but is not admissible
593 as evidence in a civil action against an insurer. The Homeowner
594 Claims Bill of Rights does not enlarge, modify, or contravene
595 statutory requirements, including, but not limited to, ss.
596 626.854, 626.9541, 627.70131, 627.7015, and 627.7074, and does
597 not prohibit an insurer from exercising its right to repair
598 damaged property in compliance with the terms of an applicable
599 policy or ss. 627.7011(5)(e) and 627.702(7). The Homeowner
600 Claims Bill of Rights must state:

601
602 HOMEOWNER CLAIMS

603 BILL OF RIGHTS

604 This Bill of Rights is specific to the claims process
605 and does not represent all of your rights under
606 Florida law regarding your policy. There are also



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607 exceptions to the stated timelines when conditions are
608 beyond your insurance company's control. This document
609 does not create a civil cause of action by an
610 individual policyholder, or a class of policyholders,
611 against an insurer or insurers and does not prohibit
612 an insurer from exercising its right to repair damaged
613 property in compliance with the terms of an applicable
614 policy.

615

616 YOU HAVE THE RIGHT TO:

617 1. Receive from your insurance company an
618 acknowledgment of your reported claim within 14 days
619 after the time you communicated the claim.

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

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

632 4. Receive payment of interest, as provided in s.
633 627.70131, Florida Statutes, from your insurance
634 company, which begins accruing from the date your
635 claim is filed if your insurance company does not pay



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636 full settlement of your initial, reopened, or
637 supplemental claim or the undisputed portion of your
638 claim or does not deny your claim within 90 days after
639 your claim is filed. The interest, if applicable, must
640 be paid when your claim or the undisputed portion of
641 your claim is paid.

642 5. Free mediation of your disputed claim by the
643 Florida Department of Financial Services, Division of
644 Consumer Services, under most circumstances and
645 subject to certain restrictions.

646 ~~6.5.~~ Neutral evaluation of your disputed claim,
647 if your claim is for damage caused by a sinkhole and
648 is covered by your policy.

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

658

659 YOU ARE ADVISED TO:

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

664 2. Make and document emergency repairs that are



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665 necessary to prevent further damage. Keep the damaged
666 property, if feasible, keep all receipts, and take
667 photographs or video of damage before and after any
668 repairs to provide to your insurer.

669 3. Carefully read any contract that requires you
670 to pay out-of-pocket expenses or a fee that is based
671 on a percentage of the insurance proceeds that you
672 will receive for repairing or replacing your property.

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

680 5. Require all contractors to provide proof of
681 insurance before beginning repairs.

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

687 7. File all claims directly with your insurance
688 company and be aware of contractors or repair vendors
689 that offer incentives for free inspections or promise
690 to coordinate with your insurance company to repair
691 your home with no out-of-pocket expenses to you.

692 Section 21. Paragraph (a) of subsection (1) and subsection
693 (6) of section 631.57, Florida Statutes, are amended to read:



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694 631.57 Powers and duties of the association.—

695 (1) The association shall:

696 (a)1. Be obligated to the extent of the covered claims
697 existing:

698 a. Prior to adjudication of insolvency and arising within
699 30 days after the determination of insolvency;

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

702 c. Before the insured replaces the policy or causes its
703 cancellation, if she or he does so within 30 days of the
704 determination.

705 2. The obligation under subparagraph 1. includes ~~only~~ the
706 amount of each covered claim which is ~~in excess of \$100 and is~~
707 less than \$300,000, except that policies providing coverage for
708 homeowner's insurance must ~~shall~~ provide for an additional
709 \$200,000 for the portion of a covered claim which relates only
710 to the damage to the structure and contents.

711 3.a. Notwithstanding subparagraph 2., the obligation under
712 subparagraph 1. for policies covering condominium associations
713 or homeowners' associations, which associations have a
714 responsibility to provide insurance coverage on residential
715 units within the association, includes ~~shall include~~ that amount
716 of each covered property insurance claim which is less than
717 \$200,000 multiplied by the number of condominium units or other
718 residential units; however, as to homeowners' associations, this
719 sub-subparagraph applies only to claims for damage or loss to
720 residential units and structures attached to residential units.

721 b. Notwithstanding sub-subparagraph a., the association has
722 no obligation to pay covered claims that are to be paid from the



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723 proceeds of bonds issued under s. 631.695. However, the
724 association shall assign and pledge the first available moneys
725 from all or part of the assessments to be made under paragraph
726 (3) (a) to or on behalf of the issuer of such bonds for the
727 benefit of the holders of such bonds. The association shall
728 administer any such covered claims and present valid covered
729 claims for payment in accordance with the provisions of the
730 assistance program in connection with which such bonds have been
731 issued.

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

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

742 Section 22. Subsection (2) of section 631.904, Florida
743 Statutes, is amended to read:

744 631.904 Definitions.—As used in this part, the term:

745 (2) "Covered claim" means an unpaid claim, including a
746 claim for return of unearned premiums, which arises out of, is
747 within the coverage of, and is not in excess of the applicable
748 limits of, an insurance policy to which this part applies, which
749 policy was issued by an insurer and which claim is made on
750 behalf of a claimant or insured who was a resident of this state
751 at the time of the injury. The term "covered claim" includes



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752 unpaid claims under any employer liability coverage of a
753 workers' compensation policy limited to the lesser of \$300,000
754 or the limits of the policy. The term "covered claim" does not
755 include any amount sought as a return of premium under any
756 retrospective rating plan; any amount due any reinsurer,
757 insurer, insurance pool, or underwriting association, as
758 subrogation recoveries or otherwise; or any claim that would
759 otherwise be a covered claim that has been rejected or denied by
760 any other state guaranty fund based upon that state's statutory
761 exclusions, including, but not limited to, those based on
762 coverage, policy type, or an insured's net worth, except this
763 exclusion from the definition of covered claim does not apply to
764 employers who, prior to April 30, 2004, entered into an
765 agreement with the corporation preserving the employer's right
766 to seek coverage of claims rejected by another state's guaranty
767 fund; ~~or any return of premium resulting from a policy that was~~
768 ~~not in force on the date of the final order of liquidation.~~

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

776 Section 23. Except as otherwise expressly provided in this
777 act, this act shall take effect upon becoming a law.