A bill to be entitled

An act relating to insurance; amending s. 624.155, F.S.; defining sufficient evidence; clarifying the requirement of sufficient evidence; amending s. 626.732, F.S.; revising the requirements for licensing or qualifying general lines agents; amending s. 626.878, F.S.; specifying when adjusters must include their appointment types if communicating by text message; prohibiting public adjusters from engaging in certain adversarial conduct; amending s. 627.4108, F.S.; limiting the requirements for the claims-handling manual to authorized residential property insurers with active residential policies; amending s. 627.4133, F.S.; revising the circumstances under which an insurer or agent may cancel or nonrenew certain residential property insurance policies; amending s. 627.7011, F.S.; revising the required statement by insurers issuing a homeowner's insurance policy that does not provide flood insurance coverage; amending s. 627.70131, F.S.; requiring that proof-of-loss statements that are received by property insurers be written; specifying when adjusters must include their name and license number if communicating by text message; revising the required statement by property insurers providing a preliminary or partial estimate

of damage regarding a claim; revising the required statement by property insurers providing payment on a claim which is not the full and final payment for the claim; providing an effective date.

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

Section 1. Subsection (4) of section 624.155, Florida Statutes, is amended to read:

624.155 Civil remedy.—

(4)(a)1. An action for bad faith involving a liability insurance claim, including any such action brought under the common law, shall not lie if the insurer tenders the lesser of the policy limits or the amount demanded by the claimant within 90 days after receiving actual notice of a claim which is accompanied by sufficient evidence to support the amount of the claim.

2. For purposes of this paragraph, "sufficient evidence" means written or photographic evidence submitted to the insurer that indicates the claimant has suffered personal injury or property injury. Evidence that may satisfy this requirement includes, but is not limited to:

a. Accident reports.

b. Photographs of an accident scene, physical injuries, or property damage.

c. Medical bills.

d. Repair bills.

e. Other receipts or copies of payments rendered.

3. If an insurer does not believe the submitted evidence is sufficient under sub-paragraph 2., the insurer must provide a written notice of objection within 10 business days of receipt of the submitted evidence; otherwise, any objection to the sufficiency of the evidence for purposes of this paragraph is waived. The submitting party has an additional 10 business days after receipt of any objection to provide clarification or submit further evidence.

Section 2. Subsection (1) of section 626.732, Florida Statutes, is amended to read:

626.732 Requirement as to knowledge, experience, or instruction.—

(1) Except as provided in subsection (4), an applicant for a license as a general lines agent, except for a chartered property and casualty underwriter (CPCU), may not be qualified or licensed unless, within the 4 years immediately preceding the date the application for license is filed with the department, the applicant has satisfied, at a minimum, one of the following requirements:

(a) Taught or successfully completed 60 ~~200~~ hours of coursework in property, casualty, surety, health, and marine insurance approved by the department, 3 hours of which must be

on the subject matter of ethics.~~;~~

(b) Completed at least 1 year in responsible insurance duties as a substantially full-time bona fide employee in all lines of property and casualty insurance as set forth in the definition of a general lines agent under s. 626.015, but without the education requirement described in paragraph (a).~~;~~ ~~or~~

(c) Completed at least 1 year of responsible insurance duties as a licensed and appointed customer representative, service representative, or personal lines agent and 40 hours of coursework approved by the department covering the areas of property, casualty, surety, health, and marine insurance.

Section 3. Subsection (2) of section 626.878, Florida Statutes, is amended, and subsection (4) is added to that section, to read:

626.878 Rules; code of ethics.—

(2) A person licensed as an adjuster must identify himself or herself in any advertisement, solicitation, or written document based on the adjuster appointment type held. However, if the adjuster is communicating with a policyholder by text message, the adjuster's appointment type held is required only in the initial text message and is not required in subsequent text messages.

(4) A public adjuster may not engage in any adversarial conduct with insurance company claims personnel during the

course of adjusting claims, including, but not limited to, electronically recording insurance company claims personnel and consultants without their consent.

Section 4. Subsection (1) of section 627.4108, Florida Statutes, is amended to read:

627.4108 Claims-handling manuals; submission; attestation.—

(1) Each authorized residential property insurer with active residential policies conducting business in this state must create and use a claims-handling manual that provides guidelines and procedures and that complies with the requirements of this code and, at a minimum, comports to usual and customary industry claims-handling practices. Such manual must include all of the following guidelines and procedures for:

(a) Initially receiving and acknowledging initial receipt of the claim and reviewing and evaluating the claim.~~;~~

(b) Communicating with policyholders, beginning with the receipt of the claim and continuing until closure of the claim.~~;~~

(c) Setting the claim reserve.~~;~~

(d) Investigating the claim, including conducting inspections of the property that is the subject of the claim.~~;~~

(e) Making preliminary estimates and estimates of the covered damages to the insured property and communicating such estimates to the policyholder.~~;~~

(f) Paying, partially paying, or denying ~~The payment,~~

~~partial payment, or denial of~~ the claim and communicating such claim decision to the policyholder.~~;~~

(g) Closing claims.~~; and~~

(h) Any aspect of the claims-handling process which the office determines should be included in the claims-handling manual in order to:

1. Comply with the laws of this state or rules or orders of the office or department;

2. Ensure that the claims-handling manual, at a minimum, comports with usual and customary industry claims-handling guidelines; or

3. Protect policyholders of the insurer or the general public.

Section 5. Paragraph (e) of subsection (2) of section 627.4133, Florida Statutes, is amended to read:

627.4133 Notice of cancellation, nonrenewal, or renewal premium.—

(2) With respect to any personal lines or commercial residential property insurance policy, including, but not limited to, any homeowner, mobile home owner, farmowner, condominium association, condominium unit owner, apartment building, or other policy covering a residential structure or its contents:

(e)1. An authorized insurer may not cancel or nonrenew a personal residential or commercial residential property

insurance policy covering a dwelling or residential property located in this state:

a. For a period of 90 days after the dwelling or residential property has been repaired, if such property has been damaged as a result of a hurricane or wind loss that is the subject of the declaration of emergency pursuant to s. 252.36 and the filing of an order by the Commissioner of Insurance Regulation.

b. Until the earlier of when the dwelling or residential property has been repaired or 1 year after the insurer issues the final claim payment, if such property was damaged by any covered peril and sub-subparagraph a. does not apply.

2. However, an insurer or agent may cancel or nonrenew such a policy before ~~prior to~~ the repair of the dwelling or residential property:

a. Upon 10 days' notice for nonpayment of premium; or

b. Upon 45 days' notice:

(I) For a material misstatement or fraud related to the claim;

(II) If the insurer determines that the insured has unreasonably caused a delay in the repair of the dwelling; ~~or~~

(III) If the insurer has paid policy limits; or

(IV) If the named insured does not have an insurable interest in the insured property.

3. If the insurer elects to nonrenew a policy covering a

property that has been damaged, the insurer must ~~shall~~ provide at least 90 days' notice to the insured that the insurer intends to nonrenew the policy 90 days after the dwelling or residential property has been repaired. Nothing in this paragraph prevents ~~shall prevent~~ the insurer from canceling or nonrenewing the policy 90 days after the repairs are complete for the same reasons the insurer would otherwise have canceled or nonrenewed the policy but for the limitations of subparagraph 1. The Financial Services Commission may adopt rules, and the Commissioner of Insurance Regulation may issue orders, necessary to implement this paragraph.

4. This paragraph ~~shall~~ also applies ~~apply~~ to personal residential and commercial residential policies covering property that was damaged as the result of Hurricane Ian or Hurricane Nicole.

5. For purposes of this paragraph:

a. A structure is deemed to be repaired when substantially completed and restored to the extent that it is insurable by another authorized insurer writing policies in this state.

b. The term "insurer" means an authorized insurer.

Section 6. Paragraph (b) of subsection (4) of section 627.7011, Florida Statutes, is amended to read:

627.7011 Homeowners' policies; offer of replacement cost coverage and law and ordinance coverage.—

(4)

(b) An insurer that issues a homeowner's insurance policy that does not provide flood insurance coverage must include on the policy declarations page at initial issuance and every renewal, in bold type no smaller than 18 points, the following statement:

"FLOOD INSURANCE: YOU SHOULD CONSIDER THE PURCHASE OF FLOOD INSURANCE. YOUR HOMEOWNER'S INSURANCE POLICY DOES NOT INCLUDE COVERAGE FOR DAMAGE RESULTING FROM FLOOD EVEN IF HURRICANE WINDS AND RAIN CAUSED THE FLOOD TO OCCUR. WITHOUT SEPARATE FLOOD INSURANCE COVERAGE, YOUR ~~UNCOVERED~~ LOSSES CAUSED BY FLOOD ARE NOT COVERED. PLEASE DISCUSS THE NEED TO PURCHASE SEPARATE FLOOD INSURANCE COVERAGE WITH YOUR INSURANCE AGENT."

Section 7. Paragraphs (a), (b), and (c) of subsection (3), paragraph (b) of subsection (4), and subsection (6) of section 627.70131, Florida Statutes, are amended to read:

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

(3)(a) Unless otherwise provided by the policy of insurance or by law, within 7 days after an insurer receives the written proof-of-loss statements, the insurer shall begin such investigation as is reasonably necessary unless the failure to begin such investigation is caused by factors beyond the control of the insurer.

(b) If such investigation involves a physical inspection

of the property, the licensed adjuster assigned by the insurer must provide the policyholder with a printed or electronic document containing his or her name and state adjuster license number. An insurer must conduct any such physical inspection within 30 days after its receipt of the written proof-of-loss statements.

(c) Any subsequent communication with the policyholder regarding the claim must also include the name and license number of the adjuster communicating about the claim. However, when the adjuster communicates with a policyholder by text message, the adjuster's name and license number are required only in the initial text message and are not required in subsequent text messages. Communication of the adjuster's name and license number may be included with other information provided to the policyholder.

(4) An insurer shall maintain:

(b) Claim records, including dates, of:

1. Any claim-related communication made between the insurer and the policyholder or the policyholder's representative;

2. The insurer's receipt of the policyholder's written proof-of-loss statement;

3. Any claim-related request for information made by the insurer to the policyholder or the policyholder's representative;

4. Any claim-related inspections of the property made by the insurer, including physical inspections and inspections made by electronic means;

5. Any detailed estimate of the amount of the loss generated by the insurer's adjuster;

6. The beginning and end of any tolling period provided for in subsection (8); and

7. The insurer's payment or denial of the claim.

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

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

Section 8. This act shall take effect upon becoming a law.