

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 Hearing a petition  
15          to resolve claims; specifying requirements for the  
16          filing and service of such petition; requiring the  
17          administrative law judge to review the petition and  
18          dismiss certain petitions; requiring that the petition  
19          include a certain certification; specifying that a  
20          dismissal of the petition or a portion of the petition  
21          is without prejudice and does not require a hearing;  
22          requiring the insurer to pay the requested claim or  
23          file a response to the petition in a specified  
24          timeframe; specifying filing and content requirements  
25          for the petition; requiring the administrative law

26 judge to conduct proceedings in a specified manner;  
 27 providing an exception; revising the definition of the  
 28 term "claim"; repealing ss. 627.70151, 627.70152,  
 29 627.70153, and 627.70154, F.S., relating to appraisal  
 30 clauses in property insurance contracts, suits arising  
 31 under a property insurance policy, consolidation of  
 32 residential property insurance actions, and mandatory  
 33 binding arbitration of property insurance policies,  
 34 respectively; creating s. 627.70156, F.S.; specifying  
 35 that the homeowner's insurance policy insurer is the  
 36 primary insurer under certain circumstances; requiring  
 37 such insurer to pay the insured's loss according to  
 38 specified terms; providing such insurer with the right  
 39 to seek subrogation; amending ss. 627.351, 627.70131,  
 40 and 627.7074, F.S.; conforming provisions to changes  
 41 made by the act; providing an effective date.

42

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

44

45 **Section 1. Section 627.7015, Florida Statutes, is amended**  
 46 **to read:**

47 627.7015 Mandatory ~~Alternative~~ procedure for resolution of  
 48 disputed property insurance claims.—

49 (1) This section sets forth a ~~nonadversarial alternative~~  
 50 dispute resolution procedure for an ~~a mediated claim resolution~~

51 ~~conference prompted by the need for~~ effective, fair, and timely  
52 resolution ~~handling~~ of property insurance claims. There is a  
53 particular need for a mandatory ~~an informal, nonthreatening~~  
54 forum, available at the election of either party, for helping  
55 parties ~~who elect this procedure to~~ resolve their claims  
56 disputes regarding ~~because most~~ homeowner and commercial  
57 residential insurance policies ~~obligate policyholders to~~  
58 ~~participate in a potentially expensive and time-consuming~~  
59 ~~adversarial appraisal process before litigation.~~ The procedure  
60 set forth in this section is designed to bring the parties  
61 together to ensure the efficient delivery of the coverage  
62 offered under the policy, helping to restore an owner's property  
63 and livelihood to normalcy after a disaster or loss, while  
64 maintaining reasonable costs to the insurer ~~for a mediated~~  
65 ~~claims settlement conference without any of the trappings or~~  
66 ~~drawbacks of an adversarial process.~~ Before participating in  
67 ~~resorting to~~ these procedures, policyholders and insurers are  
68 encouraged to resolve claims as quickly and fairly as possible.  
69 The department, the office, and the Division of Administrative  
70 Hearings shall administer this section in a manner that  
71 facilitates the self-execution of the system and the process of  
72 ensuring a prompt and cost-effective delivery of payments to  
73 insureds ~~This section is available with respect to claims under~~  
74 ~~personal lines and commercial residential policies before~~  
75 ~~commencing the appraisal process, or before commencing~~

76 ~~litigation. Mediation may be requested only by the policyholder,~~  
77 ~~as a first party claimant, a third party, as an assignee of the~~  
78 ~~policy benefits, or the insurer. However, an insurer is not~~  
79 ~~required to participate in any mediation requested by a third-~~  
80 ~~party assignee of the policy benefits. If requested by the~~  
81 ~~policyholder,~~ Participation by legal counsel is permitted but is  
82 not required. Expert testimony may be used in the procedure,  
83 regardless of whether legal counsel is participating. Mediation  
84 ~~under this section is also available to litigants referred to~~  
85 ~~the department by a county court or circuit court. This section~~  
86 does not apply to commercial coverages, to private passenger  
87 motor vehicle insurance coverages, or to disputes relating to  
88 liability coverages in policies of property insurance.

89 (2) At the time of issuance and renewal of a policy or at  
90 the time a first-party claim within the scope of this section is  
91 filed by the policyholder, the insurer shall notify the  
92 policyholder of the mandatory procedure ~~its right to participate~~  
93 ~~in the mediation program under this section. A claim becomes~~  
94 ~~eligible for mediation after the insurer complies with s.~~  
95 ~~627.70131(7) or elects to reinspect pursuant to s.~~  
96 ~~627.70152(4)(a)3. If the insurer has not complied with s.~~  
97 ~~627.70131(7) or elected to reinspect pursuant to s.~~  
98 ~~627.70152(4)(a)3. within 90 days after notice of the loss, the~~  
99 ~~insurer may not require mediation under this section. This~~  
100 ~~subsection does not impair the right of an insurance company to~~

101 ~~request mediation after a determination of coverage pursuant to~~  
102 ~~this section or require appraisal or another method of~~  
103 ~~alternative dispute resolution pursuant to s. 627.70152(4)(b).~~  
104 The department shall prepare a consumer information pamphlet for  
105 distribution to be provided to policyholders at the time of  
106 issuance and renewal of the policy and upon the Governor's  
107 declaration of a state of emergency within the policyholder's  
108 county persons participating in mediation.

109 (3) Any policyholder may, for any claim that is ripe, due,  
110 and owing, file with the Division of Administrative Hearings a  
111 petition to resolve claims which meets the requirements of this  
112 section. A policyholder represented by an attorney shall file by  
113 electronic means. A policyholder not represented by an attorney  
114 may file by certified mail or by electronic means. The  
115 department shall inform policyholders of the location of the  
116 Division of Administrative Hearings and the division's website  
117 address for purposes of filing a petition for resolving a claim.  
118 The policyholder shall also serve copies of the petition to  
119 resolve claims by certified mail, or by electronic means, upon  
120 the insurer. The costs of the procedure ~~mediation~~ must be  
121 reasonable, and the insurer must bear all of the cost of  
122 conducting ~~mediation~~ conferences, except as otherwise provided  
123 in this section. If a policyholder fails to appear at the  
124 conference, the conference must be rescheduled upon the  
125 policyholder's payment of the costs of a rescheduled conference.

126 If the insurer fails to appear at the conference, the insurer  
127 must pay the policyholder's actual cash expenses incurred in  
128 attending the conference ~~if the insurer's failure to attend was~~  
129 ~~not due to a good cause acceptable to the department.~~ An insurer  
130 will be deemed to have failed to appear if the insurer's  
131 representative lacks authority to settle the full value of the  
132 claim. The insurer shall incur an additional fee for a  
133 rescheduled conference necessitated by the insurer's failure to  
134 appear at a scheduled conference. The fees assessed by the  
135 department must include a charge necessary to defray the  
136 expenses of the department related to its duties under this  
137 section and must be deposited in the Insurance Regulatory Trust  
138 Fund. The department may suspend the insurer's authority to  
139 appoint licensees if the insurer does not timely pay the  
140 required fees.

141 (4) Upon receipt of the petition, the administrative law  
142 judge shall review it and shall dismiss any petition or any  
143 portion of such a petition which does not on its face  
144 specifically identify or itemize all of the following  
145 information:

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

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

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

151        (d) The alleged acts or omissions of the insurer giving  
152 rise to the dispute, including, if applicable, a denial of  
153 coverage.

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

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

165            ~~(a) Reasonable requirement for processing and scheduling~~  
166 ~~of requests for mediation.~~

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

171            ~~(c) Provisions governing who may attend mediation~~  
172 ~~conferences.~~

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

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

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

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

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

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



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

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

215 (8) Within 14 days after receipt of a petition to resolve  
216 claims by certified mail or by electronic means, the insurer  
217 must pay the requested claim or file a response to the petition  
218 with the Division of Administrative Hearings. If the insurer  
219 files a response to the petition, the response must be filed by  
220 electronic means. Such response must specify all claims  
221 requested but not paid and explain the insurer's reason for  
222 nonpayment. The insurer shall provide copies of the response to  
223 the policyholder by certified mail or by electronic means. In  
224 ruling on the petition and response to the petition, the  
225 administrative law judge shall conduct proceedings in a manner

226 consistent with the process outlined in s. 440.25, except that  
227 the administrative law judge shall make a determination within  
228 60 days after the filing of the petition of the policyholder's  
229 coverage under the insurance policy ~~The department may designate~~  
230 ~~an entity or person to serve as administrator to carry out any~~  
231 ~~of the provisions of this section and may take this action by~~  
232 ~~means of a written contract or agreement.~~

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

236 (a) With respect to which the insurer has a reasonable  
237 basis to suspect fraud;

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

241 (c) With respect to which the insurer has a reasonable  
242 basis to believe that the policyholder has intentionally made a  
243 material misrepresentation of fact which is relevant to the  
244 claim, and the entire request for payment of a loss has been  
245 denied on the basis of the material misrepresentation;

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

249 (e) With respect to a loss that does not comply with s.  
250 627.70132.

251           **Section 2.**   Section 627.70151, Florida Statutes, is  
 252 repealed.

253           **Section 3.**   Section 627.70152, Florida Statutes, is  
 254 repealed.

255           **Section 4.**   Section 627.70153, Florida Statutes, is  
 256 repealed.

257           **Section 5.**   Section 627.70154, Florida Statutes, is  
 258 repealed.

259           **Section 6.   Section 627.70156, Florida Statutes, is created**  
 260 **to read:**

261           627.70156 Coordination of payment of claims.—If a claim is  
 262 submitted under a homeowner's insurance policy and the insured  
 263 also has a separate windstorm or flood insurance policy, the  
 264 homeowner's insurer is the primary insurer. Such insurer must  
 265 pay the insured's loss according to the terms of the homeowner's  
 266 insurance policy and has the right to seek subrogation from the  
 267 windstorm or flood insurer.

268           **Section 7.   Paragraph (11) of subsection (6) of section**  
 269 **627.351, Florida Statutes, is amended to read:**

270           627.351 Insurance risk apportionment plans.—

271           (6)   CITIZENS PROPERTY INSURANCE CORPORATION.—

272           (11)1. In addition to any other method of alternative  
 273 dispute resolution authorized by state law, the corporation may  
 274 adopt policy forms that provide for the resolution of disputes  
 275 regarding its claim determinations, including disputes regarding

276 coverage for, or the scope and value of, a claim, in a  
 277 proceeding before the Division of Administrative Hearings. ~~Any~~  
 278 ~~such policies are not subject to s. 627.70154.~~ All proceedings  
 279 in the Division of Administrative Hearings pursuant to such  
 280 policies are subject to ss. 57.105 and 768.79 as if filed in the  
 281 courts of this state and are not considered chapter 120  
 282 administrative proceedings. Rule 1.442, Florida Rules of Civil  
 283 Procedure, applies to any offer served pursuant to s. 768.79,  
 284 except that, notwithstanding any provision in Rule 1.442,  
 285 Florida Rules of Civil Procedure, to the contrary, an offer  
 286 shall not be served earlier than 10 days after filing the  
 287 request for hearing with the Division of Administrative Hearings  
 288 and shall not be served later than 10 days before the date set  
 289 for the final hearing. The administrative law judge in such  
 290 proceedings shall award attorney fees and other relief pursuant  
 291 to ss. 57.105 and 768.79. The corporation may not seek, and the  
 292 office may not approve, a maximum hourly rate for attorney fees.

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

297 **Section 8. Paragraph (a) of subsection (8) of section**  
 298 **627.70131, Florida Statutes, is amended to read:**

299 627.70131 Insurer's duty to acknowledge communications  
 300 regarding claims; investigation.-

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

302 (a) During the pendency of any ~~mediation~~ proceeding under  
 303 s. 627.7015 or any alternative dispute resolution proceeding  
 304 provided for in the insurance contract. The tolling period ends  
 305 upon the end of the proceeding ~~mediation~~ or alternative dispute  
 306 resolution proceeding.

307 **Section 9. Subsection (3) of section 627.7074, Florida**  
 308 **Statutes, is amended to read:**

309 627.7074 Alternative procedure for resolution of disputed  
 310 sinkhole insurance claims.—

311 (3) If there is coverage available under the policy and  
 312 the claim was submitted within the timeframe provided in s.  
 313 627.706(5), following the receipt of the report provided under  
 314 s. 627.7073 or the denial of a claim for a sinkhole loss, the  
 315 insurer shall notify the policyholder of his or her right to  
 316 participate in the neutral evaluation program under this  
 317 section. ~~Neutral evaluation supersedes the alternative dispute~~  
 318 ~~resolution process under s. 627.7015 but does not invalidate the~~  
 319 ~~appraisal clause of the insurance policy.~~ The insurer shall  
 320 provide to the policyholder the consumer information pamphlet  
 321 prepared by the department pursuant to subsection (1)  
 322 electronically or by United States mail.

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