

Recent Legislative Impacts to the Florida Property Insurance Market

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Claims Committee
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What Legislative changes have been implemented to mitigate Florida property lawsuits?

- House Bill 7065 (Assignment of Benefits)
 - Effective 07-01-2019
 - Targets Vendor AOB suits
- Senate Bill 76 (Notice of Intent to File Suit)
 - Effective 07-01-2021
 - Targets 1st Party suits

Assignment of Benefits (AOB) Problem

- ¹Policyholder signs contract assigning rights, benefits, proceeds to a service provider.
- Third party partners with attorneys to enforce rights under the insurance policy in its own right.
- Transforms first party litigation into a mutated first party litigation where third party acts as policyholder.
- AOB is lucrative because statutory “one-way” attorney fees are now available for attorneys representing service providers.

¹*Restoring Balance in Insurance Litigation: Curbing Abuses of Assignments of Benefits and Reaffirming Insureds' Unique Right to Unilateral Attorney's Fees*, Florida Justice Reform Institute, October 2015 (“Restoring Balance”).

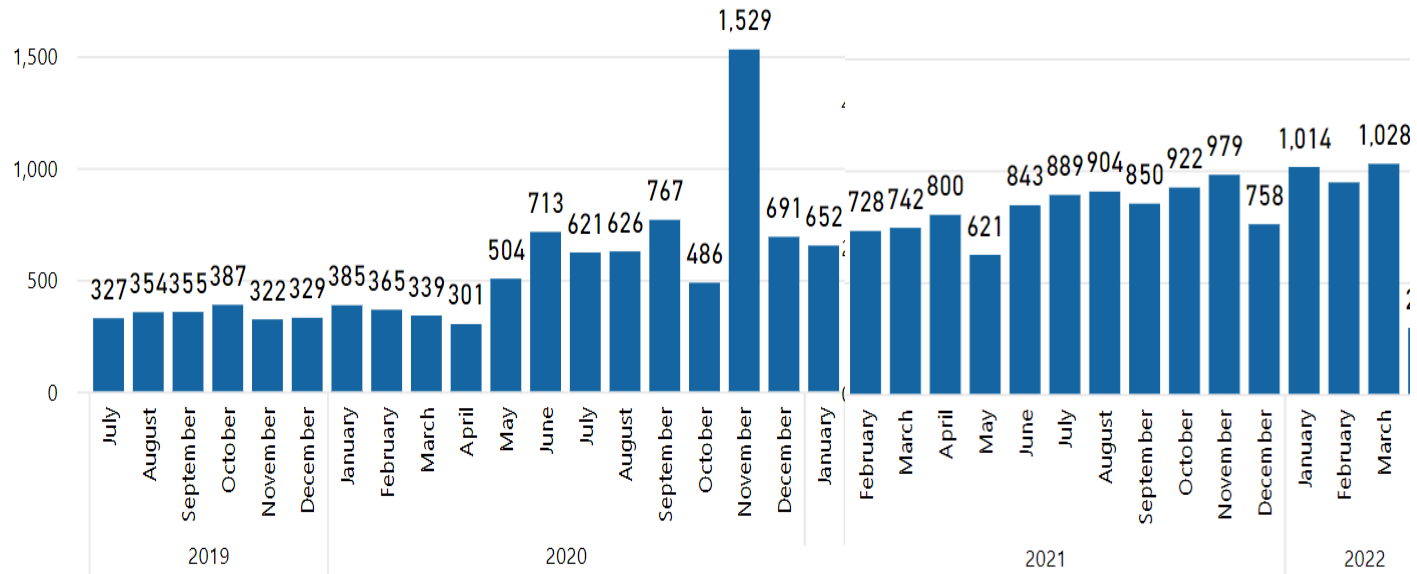
Notice of Intent To File Suit Problem

- Insurers are not aware of a dispute in many cases until a lawsuit is filed
- Insurers currently spend vast amounts of time and money in litigation discovery attempting to determine what the actual dispute is
- Plaintiff attorneys are not motivated to settle lawsuits timely as they accrue fees and costs over time
- Plaintiff attorneys have no financial stake in the lawsuit as any settlement invokes 627.428

Citizens Results From Legislative Changes

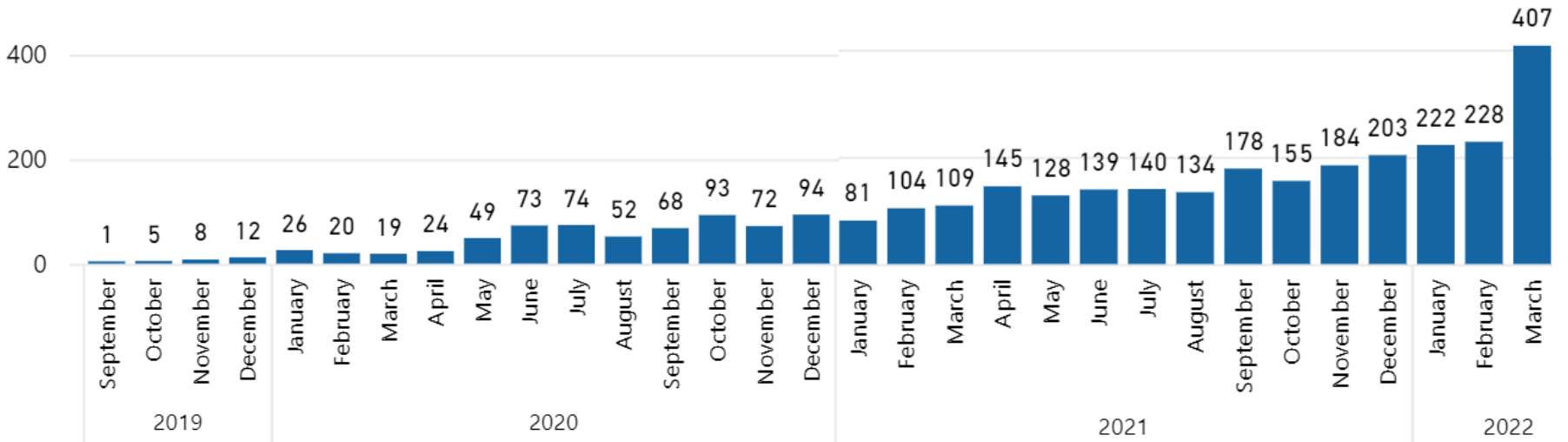
Citizens AOB New Claim Receipts

July 1, 2019 to March 31, 2022



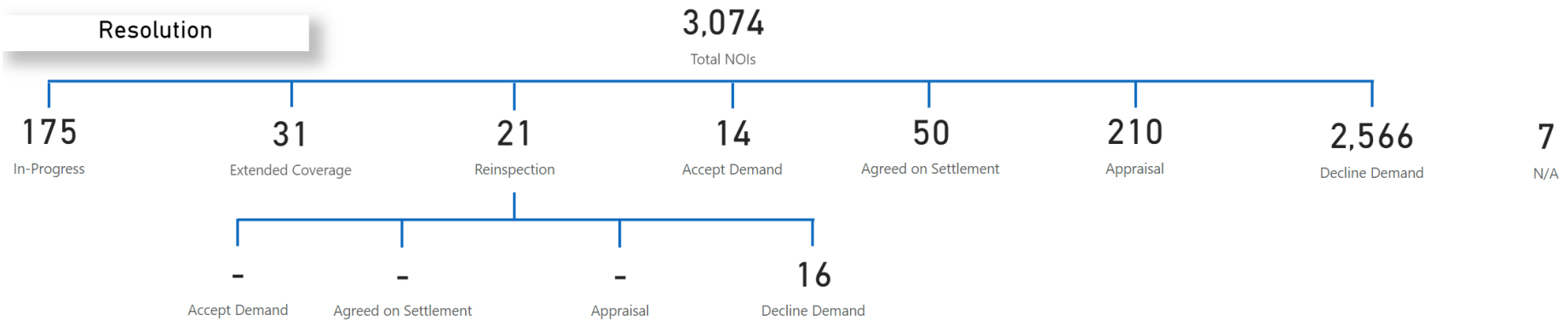
Citizens AOB In Litigation With NOI

September 1, 2019 to March 31, 2022



Citizens Notice of Intent New Receipts

July 1, 2021 to March 31, 2022



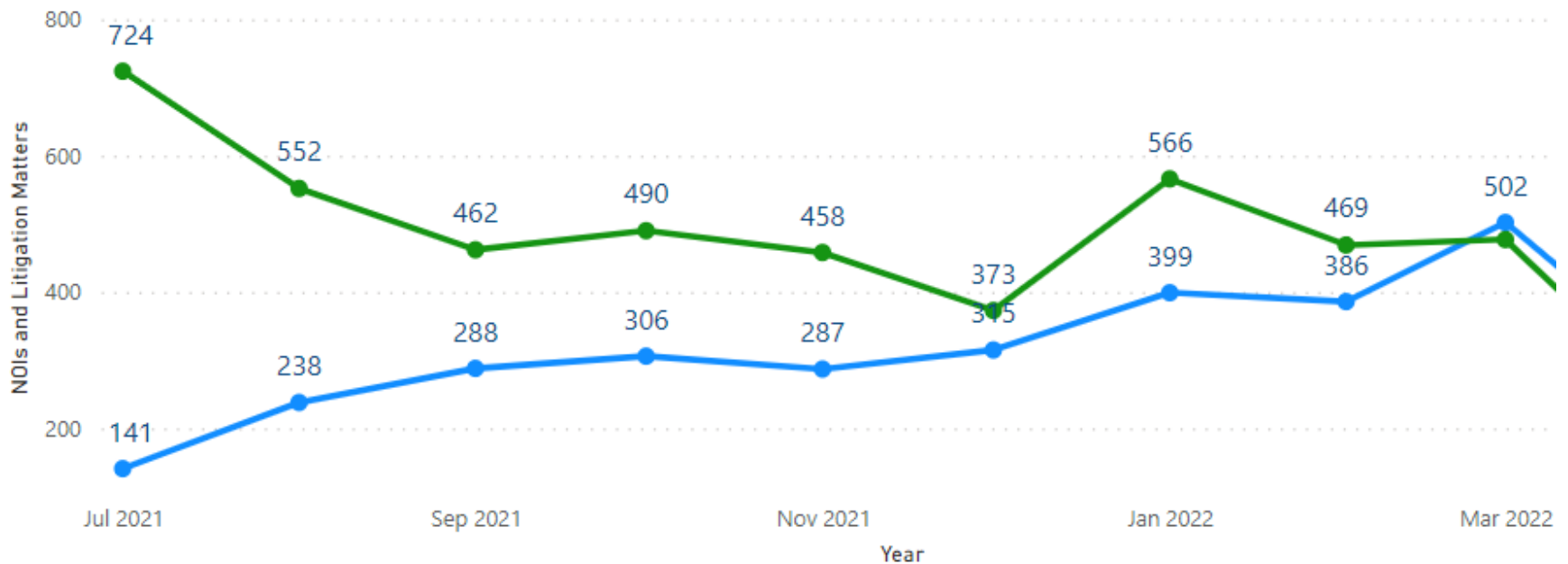
Citizens Notice of Intent in Litigation

July 1, 2021 to March 31, 2022

Total NOIs and Litigation Matters Created



● NOIs ● Litigation Matters



Questions