

Special Session SB 2A Claims Update

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- In any claim for extracontractual damages no action shall lie until a named or omnibus insured or a named beneficiary has established through an adverse adjudication by a court of law that the property insurer breached the insurance contract and a final judgement or decree has been rendered against the insurer.
- Acceptance of an offer of judgment or the payment of an appraisal award does not constitute an adverse adjudication.
- The difference between an insurer's appraiser's final estimate and the appraisal award may be evidence of bad faith but is not deemed an adverse adjudication and does not on its own, give rise to a cause of action.

- Added the following reporting requirements
 - Number of claims open each month
 - Number of claims closed each month
 - Number of claims pending each month
 - Number of claims in which either the insurer or insured invoked any form of alternative dispute resolution, and specifying which form of alternative dispute resolution was used

- In a suit arising under a residential or commercial property insurance policy, there is no right to attorney fees.

- Failing to pay undisputed amounts of partial or full benefits owed under first-party property insurance policies within 60 days (**was 90 days**) after an insurer receives notice of a residential property insurance claim, determines the amount of partial or full benefits, and agrees to coverage, unless payment of the undisputed benefits is prevented by factors beyond the control of the insurer.

627.428 Attorney Fees

- In a suit arising under a residential or commercial property insurance policy, there is no right to attorney fees (this language is intended to match the language in 626.9373).

626.70131 Insurer's Duty to Acknowledge Communications

- An insurer may use electronic methods to investigate the loss. Such electronic methods may include any method that provides the insurer with clear, color pictures or video documenting the loss.
- An insurer may void the insurance policy if the policyholder or any other person at the direction of the policyholder, with intent to injure, defraud, or deceive any insurer, commit insurance fraud by providing false, incomplete, or misleading information concerning any fact or thing material to investigating the loss.
- The insured must send the policyholder a copy of any detailed estimate of the amount of the loss within 7 days after the estimate is generated.
- The insurer must maintain a record or log of all communications with the policyholder.

- A claim or reopened claim for any loss or damage caused by any peril is barred unless notice of the claim was given to the insurer in accordance with the terms of the policy within 1 year (**was 2 years**) after the date of loss.



627.70152 Suits Arising Under a Property Insurance Policy (AOB)

- Strikes all reference to Attorney Fees under an AOB

627.7074 Alternative Procedure For Disputed Sinkhole Claims

- Strikes the Attorney Fee for disputed sinkhole claims in the Neutral Evaluation process.

627.7142 Homeowner Claims Bill Of Rights

- Amends the following
 - Acknowledgement of claim within 7 (**was 14**) days
 - Receive a copy of any detailed estimate within 7 days after the estimate is generated
 - Claim resolution within 60 (**was 90**) days
 - Receive any interest due within 60 (**was 90**) days

627.7152 Assignment Agreements

- Must be executed between July 1, 2019 and before January 1, 2023
- A policyholder may not assign, in whole or part, any post-loss insurance benefits, issued after January 1, 2023

- For a breach of contract action, a property insurer may make a joint offer of judgment or settlement that is conditioned the mutual acceptance of all the joint offerees.



Questions?