

Week Three – March 18-22, 2019

This past week both the Senate and House advanced Citizens' top issue of Assignment of Benefits (AOB). In addition, both chambers began to focus on crafting 2019-2020 General Appropriations Act and Implementing Bill. They will spend the bulk of next week focused on passing their respective budgets in order to have ready for a Floor vote by the first week in April.

The following is a brief snapshot of Citizens' high priority bills which had action this week.

On Monday afternoon, the [Senate Banking and Insurance Committee](#) took up [SB 122](#) by [Chairman Broxson \(R-Pensacola\)](#) relating to Assignment of Benefits (AOB). The bill was amended with the following key changes:

- Agreements made under urgent or emergency circumstances must be in writing and identify the work to be performed and the applicable changes.
- All post-loss agreements must be in writing and identify the work to be performed and the applicable charges and the dates by which the work will begin and be completed.
- Consumers may rescind an agreement, not 30 days after execution, but 30 days after the scheduled commencement date if the service provider has not substantially performed.
- Language is added to clarify that, whether a contract was made under urgent circumstances or otherwise, a service provider retains the right to payment for services performed before the rescission.

The bill passed 5-1 with the only dissenting vote from [Senator Rodriguez \(D-Miami\)](#). The bill now goes to the [Senate Rules Committee](#) before going to the Floor and is not scheduled to be heard again until Week 6 at the earliest. The bill would take effect on July 1, 2019.

On Tuesday, the [House Insurance and Banking Committee](#) took up [HB 7065](#) by [Chairman Rommel \(R-Naples\)](#) relating to AOB. The bill was amended to make the following modifications:

Clarifies that an assignee's waiver, by acceptance of an assignment agreement, of its right to collect money from the insured, sue the insured, claim a lien on the insured's real property or motor vehicle, or report the insured to a credit agency, does not apply to the following:

- Any deductible amount due under the policy.
- Any betterment ordered and performed that is approved by the assignor.
- Any contracted work performed before the assignment agreement is rescinded or invalidated.

The bill passed 14-1 with the one dissenting vote from [Representative Jones \(D-West Park\)](#). The bill now goes to the [Judiciary Committee](#) before going to the Floor.

The Insurance and Banking Committee also took up [HB 1393](#) by [Representative Clemons \(R-Jonesville\)](#) which relates primarily to administrative changes specific to [Department of Financial Services](#) (DFS) in the area of regulation of funeral and cemetery services. A few changes specific to DFS alternative dispute resolution process, agent licensing, and non-resident adjuster licensing was also included. Specifically:

A specific provision making a change to the alternative dispute resolution process administered by DFS.

All statements made and documents produced at a mediation conference shall be deemed to be settlement negotiations in anticipation of litigation within the scope of s. 90.408. The insurer must report the settlement obtained through mediation, including the settlement amount, to all parties within 10 days

after the conclusion of the mediation conference. All parties to the mediation must negotiate in good faith and must have the authority to immediately settle the claim.

Citizens and other industry stakeholders are working with DFS to amend this language so that instead of the insurer being required to report the settlement offer that the mediator supplies to parties.

The bill also reduces the qualifications for a non-resident adjuster licensing from one year to six months to qualify to practice in Florida.

In addition, the following changes are made specific to agents:

- Authorizing DFS discretion to deny an application for an insurance agency license on the grounds that another jurisdiction has taken an adverse action against a professional license held by an individual
- Consolidate little used or previously repealed license types, including:
- Deletes temporary licensing for industrial fire or burglary agents and adding a temporary license for personal lines agents
- Deletes examination requirements for industrial fire insurance and burglary insurance agents as well as crop hail and multiple-peril crop insurance agents
- Deletes continuing education requirements for limited customer representatives, motor vehicle physical damage and mechanical breakdown insurance agents as well as industrial fire and burglary agents.

The bill passed unanimously and now heads to the [Government Operations and Technology Appropriations Subcommittee](#). The bill would take effect on July 1, 2019.

On Deck – Week Four

The [Senate Judiciary Committee](#) will be meeting on Monday, March 25 at 4 p.m. and are not hearing any Citizens specific bills.

The [Senate Banking and Insurance Committee](#) will be meeting on Monday, March 25 at 4 p.m. [SB 1476](#) by [Senator Flores \(R-Miami\)](#) will be heard and limits rate increases to 5 percent for Monroe county.

The [Senate Rules Committee](#) will not meet on Tuesday, March 26.

The [House Insurance and Banking Committee](#) will meet on Tuesday, March 26 at 3:30 p.m. [HB 541](#) by [Representative Zika \(R-Land O'Lakes\)](#), which substantially changes the definition of catastrophic ground cover collapse specific to sinkholes, will be heard. The bill changes sinkhole coverage as an optional coverage to a mandatory coverage included in every property insurance policy. [Citizens has weighed in with staff on this bill](#) and has serious concerns that, as drafted, the bill creates a “work around” for current requirements for sinkhole claims and hamper the benefits yielded by reforms implemented in Senate Bill 408 from 2012.

The [House Judiciary Committee](#) will meet on Thursday, March 28 at 8 a.m. The agenda has not yet been released.

The [House Commerce Committee](#) will meet on Thursday, March 28th at 10:30 a.m. The agenda has not yet been released.

Committee Meeting Notice Requirements

House of Representatives – Two days prior to committee meeting date

Senate – Three days prior to committee meeting date

News of Note – Week Three

[Florida Governor Urges Lawmakers to Address AOB as Reforms Move Forward](#)

Insurance Journal

[Commissioner David Altmaier Applauds Florida's Leaders for Keeping Consumers at Forefront of AOB Discussions](#)

Florida Office of Insurance Regulation

[Insurer argues justices should uphold 'AOB' ruling](#)

Winter Haven News Chief

['Assignment of benefits' overhaul backed in Florida Senate](#)

Jacksonville (WJXT)

[Senate panel greenlights one-way attorney fee bill](#)

Florida Politics

[Disaster preparedness tax 'holiday' backed](#)

Jacksonville (WJXT)

[House 'assignment of benefits' changes clear another hurdle](#)

Jacksonville (WJXT)

[House AOB bill clears Banking & Insurance Subcommittee on lopsided vote](#)

Florida Politics

[Senate's one-way attorney fee bill draws praise, condemnation](#)

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