

## Week Eight – April 22-26, 2019

As previously reported, the Senate passed [HB 7065](#) by [Chairman Broxson \(R-Pensacola\)](#) and [Chairman Rommel \(R-Naples\)](#) on Wednesday by a vote of 25-14. Governor DeSantis has seven days to act on the bill if he receives it before Session ends next Friday. Outside of Session, the Governor has 15 days to take action. He has already signaled he will sign the bill once received.

The AOB bill, as passed, now includes the following key provisions:

- Defines “assignment agreement” and establishing requirements for the execution, validity, and effect of an AOB.
- Prohibits certain fees and altering policy provisions related to managed repairs in an assignment agreement.
- Transferring certain pre-lawsuit duties under the insurance contract to the assignee and shifting the burden to the assignee to prove that any failure to carry out such duties has not limited the insurer’s ability to perform under the contract.
- Limits an assignee’s ability to recover certain costs from the assignor.
- Requires an assignee to send a notice of intent to initiate litigation by certified mail, return receipt requested, or electronic delivery.
- Clarifies that an insurer has 10 business days from receipt of the notice of intent to respond to the notice in writing.
- Establishes a formula that will determine which party, if any, receives an award of attorney fees should litigation related to an assignment agreement result in a judgment
- Allows a court to award attorney fees to a respondent in a voluntarily dismissed action if the assignee brings an identical claim against the same respondent in a subsequent action in another court.
- Requires each insurer to report specified data on claims paid in the prior year under assignment agreements annually beginning January 30, 2022.
- Allows an insurer to make available a policy prohibiting assignment, in whole or in part, under certain conditions.
- Limits the use of assignments in urgent or emergency circumstances to \$3,000 or 1 percent of Coverage A, whichever is greater.
- Creates a rescission period for an AOB under a residential or commercial property insurance policy to:
  - Seven days after execution of the agreement;
  - At least 30 days after the date the work on the property is scheduled to commence, if the assignee has not substantially performed; or
  - At least 30 days after the execution of the AOB if the AOB does not contain a commencement date and the assignee has not begun substantial work on the property.
- Requires an insured to reject a fully assignable policy in writing on a form approved by OIR if the insured purchases a restricted assignment policy.

The bill would take effect on July 1, 2019.

On Thursday, the Senate considered [SB 1476](#) by [Senator Flores \(R-Miami\)](#) and rolled to final reading today. This bill would reduce premiums paid to Citizens by an estimated \$2.95 million over the two years the five percent rate cap is in effect. Currently, the rate cap is 10 percent like the remainder of the state. The companion bill in the House of Representatives has *not* been heard in committee and is unable to move forward at this point in Session.

Also on Thursday, the House of Representatives passed [HB 1393](#) by [Representative Clemons \(R- Jonesville\)](#) which is the Department of Financial Services (DFS) package which includes a couple provisions of interest to Citizens:

- Changes a mediation reporting requirement to require the mediator to report the results rather than the insurer and requires the report to be provided to the parties at the conclusion of the mediation instead of within ten days of the conclusion.
- Adds a section allowing a formerly disqualified licensee to apply for probationary licensure after half of the disqualifying period has passed, provided they have not been found or plead guilty or nolo contendere to a crime during that time.
- Provides that an email notice of termination of an insurance agent appointment is considered to be given when sent.
- Changes from one year to six months, one occurrence of the experience requirement for a non-resident public adjuster applicant.

The bill passed 101-11 and the Senate is expected to take up the House version.

The companion bill [SB 1704](#) by [Senator Wright \(R-Port Orange\)](#) is scheduled to be heard on Special Order in the Senate today.

## On Deck – Week Nine

The Senate will be in session daily at 10:00 a.m. the remainder of Session followed by the House going in at 10:30 a.m. Session is scheduled to end on Friday. The following bills of interest are still in play with of particular interest to Citizens:

- [HB 301](#) by [Representative Santiago \(R-Deltona\)](#) / [SB 714](#) by [Senator Brandes \(R-St. Petersburg\)](#) – Insurance Omnibus, FHCF loss adjustment reimbursement change from five percent to 10 percent.
- [HB 337](#) by [Representative Leek \(R-Daytona Beach\)](#) / [SB 328](#) by [Senator Brandes \(R-St. Petersburg\)](#) – County/Circuit court jurisdictional thresholds.
- [SB 380](#) by [Senator Brandes](#) / [HB 617](#) by [Representative Newton \(R-St. Petersburg\)](#) – Flood Insurance Disclosures
- [HB 759](#) by [Representative Massullo \(R-Beverly Hills\)](#) / [SB 416](#) by [Senator Gruters \(R-Sarasota\)](#) – Repeal of public records exemption for trade secrets.
- [HB 761](#) by [Representative Massullo](#) – Creates new public records exemption for trade secrets.

## News of Note – Week Eight

[DeSantis cheers insurance reform bill headed to his desk](#)

Tampa Bay Times

[Update: Florida Legislature Passes Industry-Backed AOB Reform Bill](#)

Insurance Journal

[Florida passes bill aimed at cutting post-hurricane lawsuits](#)

Associated Press

[Florida insurers welcome reform to address AOB abuse](#)

Reinsurance News

[After six years of stalemate, property insurance reform heads to governor](#)

Sun Sentinel

[Florida governor expected to sign benefits reform despite criticism of 'bad actors'](#)

Florida Record

[Seven-year insurance reform campaign ends with adoption of House AOB bill](#)

Florida Watchdog

['It's flat-out corruption': Florida demands action from Congress on disaster funding](#)

Politico

["This is the next step." 10-year hurricane resiliency plans on path for passage](#)

Tallahassee Democrat

[Hurricane-ravaged rural communities still in desperate need | Opinion](#)

Tallahassee Democrat

[With Hurricane Michael's upgrade, Florida vents its fury over aid](#)

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