

SPECIAL SESSION TALLAHASSEE UPDATE



Florida Legislature Special Session D Concludes

During the 2022 Florida Legislature regular session, the Legislature failed to pass meaningful reforms relating to homeowners insurance and the issues that have been compounding for years. Experts in the insurance and policy sector would describe Florida's insurance market as in crisis mode, or even on life support. The State of Florida's insurer of last resort, Citizens Property Insurance, has expanded rapidly due to insurance companies ceasing operations in Florida. This is widely because of the frivolous litigation that insurance companies have been facing in Florida. It was discovered that only 8% of all property insurance case awards went to consumers, while 71% went to plaintiffs' attorney fees. Additionally, Florida accounts for roughly 7% of the national property insurance market, 9% of all homeowners insurance claims, but 79% of all homeowners' lawsuits. There has been over fifteen billion paid out since 2013 in Florida to pay these litigation claims. The Florida Legislature held this special session in an attempt to create a solution to the rising property insurance rates facing most Floridians.

The Florida Legislature passed SB 2D and HB 1D, in addition to addressing the "predatory roof solicitation practices" that have been negatively impacting the Florida property insurance market. The main tenets of this legislation are:

Roof Deductible - Allows insurance companies to offer a reduced rate policy to consumers that includes a roof deductible of up to 2%, with the deductible to be waived under certain circumstances like a total covered loss.

Roof Solicitations - Consumer-awareness language must be included in all roofing solicitations that the homeowner is responsible for the deductible under their insurance policy, and that if a contractor reduces or waives the deductible it is considered insurance fraud. It is also considered insurance fraud if a claim is filed with false or misleading information.

Notice of Intent to Litigate - Allows the insurer to collect attorneys fees if the case is dismissed because a notice was not properly filed by enforcing the required notice of intent to litigate.

Civil Remedy Notice - "Gotcha" bad faith lawsuits will be reined in by requiring an actual breach of contract for extracontractual damages to be awarded.

Contingency Fee Multiplier - Reduces the chance of extraordinarily inflated attorney fees in run-of-the-mill cases by returning the use of contingency fee multiplier to "rare and exceptional" circumstances.

Assignment of Benefits Reform - Closes a loophole that some unfair vendors were using to circumvent the law by banning the transfer of one-way attorney fees through an assignment to third parties.

This legislative update doesn't cover every aspect of the new legislation, but I am hopeful that the legislation passed during this special session will have a meaningful impact on the property insurance market in Florida. If you are interested in learning more about the legislation that was passed, I would strongly suggest going to www.myfloridahouse.gov and/or www.flsenate.gov to read the legislation in its entirety.

Thank you for reading and have a fantastic week!

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