

Statutes

The Essentials for Claim Handling

2007



F.S. 626.954 (1) (i) Unfair Claim Settlement Practices

Summary:

- Don't alter any material document without the knowledge or consent of the policy holder
- Don't misrepresent any information with the intent to effect the settlement of the claim
- Don't deny a claim without conducting an investigation to the details of the claim
- You must acknowledge and act promptly upon communications regarding the claim
- You must provide in writing, explanation from the policy regarding any denial of coverage
- You must respond to any complaint and put note in the iLog



F.A.C 69B-220.201 Ethical Requirements

Summary:

- Adjuster can't reference someone in which they have a financial interest
- All claimants to be treated equally
- Adjuster should not display prejudice
- Adjuster shall be truthful and unbiased
- Adjuster to handle all claims with honesty and integrity
- Adjuster is to report to DFS any violation of the law or Department rule order that is observed
- Adjuster to exhibit care with elderly clients, so that not taken advantage of
- Adjuster cannot advise the claimant to refrain from seeking legal counsel



Ethical Requirements Cont.

- Adjuster can't negotiate a claim at a time that someone is in shock or has suffered emotional distress as a result of the loss
- Adjuster can't engage in the practice of law
- Adjuster can't knowingly fail to advise claimant of rights according to the policy
- Adjuster cannot draft a release unless approved in writing by the insurer



F.S. 624.155 Civil Remedy Statute

- If you receive a Civil Remedy Notice:
 - Contact your Team Lead or Supervisor immediately
 - (CRN's are time sensitive and are usually handled by a separate unit)



F.S. 627.7015 Mediation Statute

Requirements for Mediation

- Has to be a residential, or commercial residential property (commercial business does not apply)
- Has to be a dispute over an amount greater than \$500.00
- Insurer is required to notify the claimant of the right to mediate
- The insured must call the DFS to submit the claim for mediation



F.S. 627.701 (5)(a) Calendar Year Hurricane Deductible

- A policyholder is to be assessed only once in a calendar year for a hurricane deductible
 - When the hurricane deductible has been satisfied, they are assessed the all other peril deductible
- This language is in the policy



F.S. 627.7011(3) Replacement Cost on Dwelling and Contents, Paid without a Deduction for Depreciation

- If the policy has RC benefits available for Coverage A, B, or C, then RC benefits have to be paid up front
- If the policy only has ACV benefits, then no RC can be paid
- As long as it is a Homeowner's policy
 - Mobile Homes do not apply
 - Commercial Policies do not apply



F.S. 718.111 Condo Statute

Basically establishes that:

Condo Association Policy covers the drywall - out, and the
Unit Owners Policy covers paint - in.



F.S 718.111 Condo Statute

- Condo Assoc. Policy
 - Drywall, Insulation, Electrical wiring, plumbing, framing, and all of the exterior.
 - Includes Doors, Windows, Screened porches (part of original construction)



F.S. 718.111 Condo Statute

- Unit Owners Policy
 - Paint, texture, wallpaper
 - Light fixtures, electrical plates
 - Flooring: Tile, Carpet, Vinyl
 - Countertops, Cabinetry
 - Interior doors
 - Trim work
 - A/C unit that services only the insured's home
 - Plumbing fixtures
 - (Any customized additions added to the home by the policy holder)



F.S. 626.9744 Matching Statute

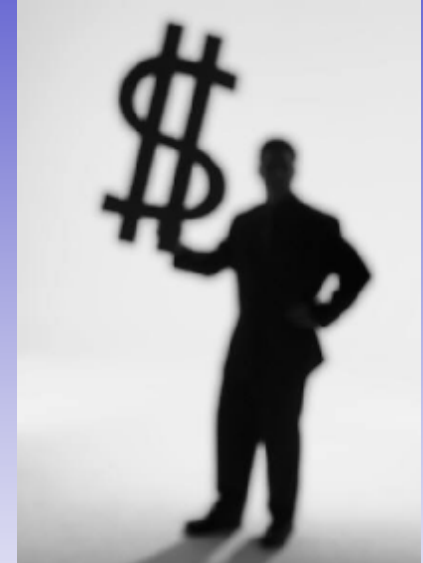
(2) When a loss requires replacement of items and the replaced items do not match in quality, color, or size, the insurer shall make reasonable repairs or replacement of items in adjoining areas. In determining the extent of the repairs or replacement of items in adjoining areas, the insurer may consider the cost of repairing or replacing the undamaged portions of the property, the degree of uniformity that can be achieved without such cost, the remaining useful life of the undamaged portion, and other relevant factors.

This statute does not mean that the Insurer owes to match. It specifies that all relevant factors should be considered. The claims should be handled according to normal practices.



F.S. 627.702 Valued Policy Law

- Florida is a Valued Policy State = when a total loss, the amount owed is the amount insured in the declarations



F.S. 319.30(3) Salvage Titles

- The statute dictates what needs to be done with a total loss to a mobile home



F.S. 626.8795 Public Adjuster Prohibition of Conflict of Interest

- **626.8795 Public adjusters; prohibition of conflict of interest.**--A public adjuster may not participate, directly or indirectly, in the reconstruction, repair, or restoration of damaged property that is the subject of a claim adjusted by the licensee; may not engage in any other activities that may be reasonably construed as a conflict of interest, including soliciting or accepting any remuneration from, of any kind or nature, directly or indirectly; and may not have a financial interest in any salvage, repair, or any other business entity that obtains business in connection with any claim that the public adjuster has a contract or an agreement to adjust.



F.S. 627.706 Sinkhole Insurance



- Sinkhole vs. Settlement
- Notify Team Lead or Supervisor



Emergency Orders regarding Public Adjusters

- To Be Determined



Florida Statutes



- Closing



FLORIDA STATUTES

Unfair Claim Settlement Practices

Do not alter material content of document without consent of Policy Holder.

No misrepresentation of information that would change the outcome of the claim.

A claim can't be denied without investigating the details.

Promptly acknowledge and respond to all communications.

All denials must be in writing including policy language.

Note all communications in iLog.

Ethical Requirements

Beware of conflict of interest.

All claimants treated equally, honestly and without prejudice.

Report any violations to DFS.

Do not give legal advice or advise client not to seek legal advice.

Advise claimants of their policy rights.

A release created by the adjuster must be approved in writing by insurer.

Civil Remedy

Notify Team Lead of any Civil Remedy Notice – handled by specialty area - time sensitive.

Mediation

Includes residential and commercial residential; excludes commercial business.

Dispute must be greater than \$500.

Insurer must notify claimant of right to mediate.

Insured must call DFS to submit claim.

Hurricane Deductible

Hurricane deductible assessed only once per calendar year.

When hurricane deductible is reached, other peril deductible applies.

Replacement Costs on Dwelling and Contents

RC benefits must be paid upfront for A, B, or C.

If only ACV, then no RC can be paid.

Must be Homeowners Policy.

Condo Statute

Condo Association policy covers from drywall out:

- drywall
- electrical wire
- framing
- windows
- insulation
- plumbing
- exterior doors
- screened porches (if part of original construction).

Unit Owners policy covers from paint in:

- paint
- wallpaper
- flooring
- cabinets
- trim
- plumbing fixtures
- texture
- light fixtures
- countertops
- interior doors
- individual A/C
- any customized additions.

Matching Statute

Statute does not **require** Insurer to match as long as relevant factors are considered. (Follow standard practices.)

Valued Policy Law

Total loss = amount of the structure insured in declarations.

Salvage Titles

Mobile homes - if the home is a total loss, title must be branded.

Public Adjusters prohibition of Conflict of interest

No involvement in repairs or receipt of remuneration direct or indirect in connection with claims.

Sinkholes Insurance

Notify **Team Lead** - handled by specialty area.

Emergency Orders

Vary by storm and will be issued at that time. Citizens will notify you of any specifics that apply.

