



# Daytona Regional CHAMBER OF COMMERCE



## ADVOCACY IN ACTION

05/04/2022

### *Florida's Insurance Crisis*

With Florida's insurance market in crisis and the failure to pass any property insurance reforms during the 2022 regular legislative session, there was no surprise that another special session was in the crosshairs in 2022. How did we get here, and is Florida really in a crisis regarding property insurance?

It is no surprise to anyone who has lived in Florida for more than a few years to know that homeowner's insurance has gone up, but the real question is why? Florida represents roughly seven percent of the nation's property insurance market and nine percent of all homeowner claims but nearly 80 percent of all homeowner lawsuits. Since 2013 \$15 billion has been paid out to litigation claims, with only eight percent going to homeowners with damage; 71 percent of the awarded \$15 billion went to plaintiffs' attorneys.

The litigious environment in Florida has drastically impacted insurers resulting in increased insurance rates by up to 50% or more or forcing them to reduce exposure or go out of business altogether.

During Special Session D, which took place during the week of May 23rd, 2022, the Florida Legislature took a deep look at how to fix the property insurance market, not because of hurricanes but because of the manufactured disaster caused by unethical vendors and trial lawyers manipulating the system. SB 2D was passed during the special session to help bring the cost of homeowner's insurance down for Floridians.

# *Florida's Insurance Crisis*

## SB 2D Highlights

- Assignment of Benefits (AOB) Reform: Builds on 2019's AOB law by banning the transfer of the one-way attorney fee provision through an assignment to third parties and closes a loophole that some unscrupulous vendors were using to circumvent the law.
- Contingency Fee Multiplier: Overturns bad case law by returning the use of a contingency fee multiplier to "rare and exceptional" circumstances, reducing the chance of extraordinarily inflated attorney fee awards in run-of-the-mill cases.
- Notice of Intent to Litigate: Enforces the required notice of intent to litigate contained within 2021's SB 76 by allowing the insurer to collect attorney fees if the case is dismissed because a notice was not properly filed.
- Civil Remedy Notice: Reins in "gotcha" bad faith lawsuits by requiring an actual breach of contract for extracontractual damages to be awarded.
- Roof Solicitations: Requires roofing solicitations to contain consumer-awareness language that the homeowner is responsible for the deductible under the insurance policy, and it is insurance fraud for the contractor to reduce or waive the deductible or file a claim with false or misleading information.
- Roof Deductible: Allows insurance companies to offer a policy at a reduced rate to consumers that includes a roof deductible of up to 2 percent, with certain circumstances like a total covered loss waiving the deductible.

[Full Summary of SB 2D.](#)

SB 2D was passed by the Florida legislature on May 25th and signed by Governor DeSantis on May 26th.