

Florida Cuts P&C Claims Deadlines by Half

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Dramatic changes to claims administration for Florida property and casualty (P&C) insurance carriers took effect on March 1, 2023, cutting claim response times in half for both personal and commercial lines.

Gov. Ron DeSantis signed Senate bill 2-A (SB 2-A) into law on December 16, 2022, which arose from the Florida legislature's second special legislative session of 2022, addressing the deterioration of the state's P&C insurance marketplace. The bill enacts many significant revisions to claim-governing sections 627.70131 and 627.70132 of the Florida Statutes.

- **7-7-7** The respective deadlines for insurers to respond to any claim-related communication, begin a claims investigation or provide an adjuster's estimate are reduced from 14 calendar days to seven.¹
- **Notice of claim** In addition to the new seven-day response deadline for any claims-related communication, the carrier's response must include claim forms, instructions and the team's telephone number if the insured's request constitutes an initial notice of claim.² However, an insured's window for reporting a new or reopened claim is reduced from two years to one, and the deadline to report a supplemental claim is reduced to 18 months (from 36).³
- **Claim investigations** In addition to giving the insurer only seven days to launch a claims investigation, the deadline to complete any physical inspection of damaged property is cut to 30 calendar days (from 45).⁴ However, the amended statutes explicitly authorize electronic means of investigating claims a feature absent from the law's predecessor including drones, driverless vehicles, and video conferences between the adjuster and insured.⁵
- **Records** SB 2-A also establishes minimum standards for claims-related recordkeeping, including mandates for retaining all communications, property inspections, estimates, claim denials and claim payments.⁶
- **Pay-or-deny** SB 2-A mandates a 60-day window, from the date of proof-of-loss, to either pay or deny a claim a 30-day reduction from the prior version of the law.⁷
- **Exceptions and Tolling** Insurance carriers are relieved from the seven-day claims communication response window if the insured is represented by counsel, is uncooperative, or engages in fraud.⁸ Also, the Florida Office of Insurance Regulation (OIR) may extend any "7-7-7" deadline by an additional 30 days in the event (a) that the governor declares a state of emergency; (b) of a security breach under section 501.171(3), F.S.; or (c) of an information technology issue.⁹

Also, any SB 2-A deadline is tolled (a) in the event that a claim is subject to mediation or alternative dispute resolution; or (b) if an insured fails to respond a claims-related request from an insurer within 10 calendar days of the request, so long as the request is beyond 15 calendar days from the law's 60-day pay-or-deny deadline.¹⁰

In-house legal or compliance teams for P&C insurers operating in Florida should promptly meet with claims personnel to validate the implementation of these new market-conduct requirements. Given the prominence of the Florida legislative session that gave birth to SB 2-A, the second such session of 2022, it is likely that the OIR will actively enforce these new provisions and seek to publicize any alleged infraction.

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