

## [A dark cloud over the Sunshine State](#)

UP weighed in today with a letter to Florida state lawmakers to urge their no votes on three bills that will gut policyholder protections in that state if enacted as written. [House Bill 301](#), [Senate Bill 714](#), [House Bill 751](#).

Honorable Florida lawmakers:

Our non-profit organization speaks on behalf of the millions of Florida home and business owners who invest their money and trust in insurance companies and rely on their elected officials and courts to protect that investment.

We fully recognize that inflated claims and scams are a constant problem for all of us, but these bills are not the solution. The provisions in these bills that apply to property insurance are a classic “throw the baby out with the bath water” approach. We urge your NO vote.

Like it or not, (and insurance executives generally don't) a property owners' ability to hire a competent lawyer to enforce the laws that require insurance companies to pay claims in full and on time is the most important balancing force that keeps integrity in the system. These three bills will upset that balance by giving insurers an even greater advantage than they already have, and by putting up so many procedural, cost and time obstacles that it will be virtually impossible for people and businesses to find or afford a lawyer to help them enforce their rights to the full benefit of the protection they paid for.

Insurers write the policy contracts and have armies of lawyers on their payrolls. They design the claim process, the increasingly contentious and costly insurance appraisal process, they basically hold almost all the cards. If these bills are enacted, there will be very little left to prevent them from using extra-judicial processes to delay and underpay claims in the interests of their shareholders and profits – against interests of their paying customers. The legislature will have upset a critical balance with dire results to Florida residents and the real estate values.



United Policyholders has been helping make the insurance system function throughout the country since our founding in 1991. We monitor the marketplace, educate consumers and lawmakers and assist in the aftermath of disasters. We began serving Florida residents after Hurricane Andrew in 1992. While laws and regulations that govern the business of insurance in the Sunshine State have been responding to post-hurricane phenomena impacting residents, insurers, lenders, realtors, claim, construction and legal professionals and local and state government agencies, these bills as drafted are off the mark.

While your constituents no doubt want their insurance premiums to be affordable – they certainly don't want affordability to come at the price of reliable asset protection. This body already created a strong deterrent to litigation through the Civil Remedies Notice process and the grace period it gives insurers to cure alleged claim handling violations. Many insureds are reporting that under this process, insurance companies are delaying and undervaluing covered damage until the sixtieth or ninetieth day after a CRN is filed. HR 301 and 714 will aggravate, not solve – this problem.

A private insurance system (with considerable government engagement) is still in place in Florida, and homes continue to be damaged, fixed, sold and bought. And although insurers have divided loyalties as between shareholders, profit imperatives and their customers, current law in the State of Florida keeps the covenant of good faith and fair dealing alive and well.

But if these bills are enacted, that covenant will be very easily broken. Claim disputes will get diverted into costly, private administrative proceedings where only insurers will be adequately represented, and Florida property owners will lose the most valuable leverage they have to be treated fairly on claims.

United Policyholders (“UP”) is a non-profit organization that informs, helps and speaks for insurance consumers in Florida and across the nation. UP is funded by donations and grants and its work is largely done by volunteers. UP does not sell insurance or accept funding from insurance companies. [On our website](#), UP offers a variety of resources and tools for making good decisions when buying insurance and resolving claim and coverage disputes. UP works with Commissioner Altmaier and the Office of Insurance Regulation to help hurricane victims navigate the insurance claim process through our Roadmap to Recovery™ program. We also work with the Florida Association for Insurance Reform and Fair Insurance Rates in Monroe to keep insurance available and affordable to Floridians.

Thank you for your time and consideration of our position on these important matters.

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The information presented in this publication is for general informational purposes and is not a substitute for legal advice. If you have a specific legal issue or problem, United Policyholders recommends that you consult with an attorney. Guidance on hiring professional help can be found in the “Find Help” section of [www.uphelp.org](http://www.uphelp.org). United Policyholders does not sell insurance or certify, endorse or warrant any of the insurance products, vendors, or professionals identified on our website.

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