

APPENDIX  
to  
Good Faith Claims  
Handling  
For the Benefit of  
Citizens Policyholders



**The 2008 Florida Statutes**  
**Title XXXVII Insurance**  
**Chapter 627**  
**Insurance Rates and Contracts**  
**F.S. 627.70131**

**627.70131 Insurer's duty to acknowledge communications regarding claims; investigation.--**

- (1)(a) Upon an insurer's receiving a communication with respect to a claim, the insurer shall, within 14 calendar days, review and acknowledge receipt of such communication unless payment is made within that period of time or unless the failure to acknowledge is caused by factors beyond the control of the insurer which reasonably prevent such acknowledgment. If the acknowledgment is not in writing, a notification indicating acknowledgment shall be made in the insurer's claim file and dated. A communication made to or by an agent of an insurer with respect to a claim shall constitute communication to or by the insurer.
- (b) As used in this subsection, the term "agent" means any person to whom an insurer has granted authority or responsibility to receive or make such communications with respect to claims on behalf of the insurer.
- (c) This subsection shall not apply to claimants represented by counsel beyond those communications necessary to provide forms and instructions.
- (2) Such acknowledgment shall be responsive to the communication. If the communication constitutes a notification of a claim, unless the acknowledgment reasonably advises the claimant that the claim appears not to be covered by the insurer, the acknowledgment shall provide necessary claim forms, and instructions, including an appropriate telephone number.
- (3) Unless otherwise provided by the policy of insurance or by law, within 10 working days after an insurer receives proof of loss statements, the insurer shall begin such investigation as is reasonably necessary unless the failure to begin such investigation is caused by factors beyond the control of the insurer which reasonably prevent the commencement of such investigation.
- (4) For purposes of this section, the term "insurer" means any residential property insurer.

**The 2008 Florida Statutes**  
**Title XXXVII Insurance**  
**Chapter 627**  
**Insurance Rates and Contracts**  
**F.S. 627.70131(5)**

- (5)(a) Within 90 days after an insurer receives notice of a property insurance claim from a policyholder, the insurer shall pay or deny such claim or a portion of the claim unless the failure to pay such claim or a portion of the claim is caused by factors beyond the control of the insurer which reasonably prevent such payment. Any payment of a claim or portion of a claim paid 90 days after the insurer receives notice of the claim, or paid more than 15 days after there are no longer factors beyond the control of the insurer which reasonably prevented such payment, whichever is later, shall bear interest at the rate set forth in s. [55.03](#). Interest begins to accrue from the date the insurer receives notice of the claim. The provisions of this subsection may not be waived, voided, or nullified by the terms of the insurance policy. If there is a right to prejudgment interest, the insured shall select whether to receive prejudgment interest or interest under this subsection. Interest is payable when the claim or portion of the claim is paid. Failure to comply with this subsection constitutes a violation of this code. However, failure to comply with this subsection shall not form the sole basis for a private cause of action.
- (b) Notwithstanding subsection (4), for purposes of this subsection, the term "claim" means any of the following:
1. A claim under an insurance policy providing residential coverage as defined in s. [627.4025](#)(1);
  2. A claim for structural or contents coverage under a commercial property insurance policy if the insured structure is 10,000 square feet or less; or
  3. A claim for contents coverage under a commercial tenants policy if the insured premises is 10,000 square feet or less.
- (c) This subsection shall not apply to claims under an insurance policy covering nonresidential commercial structures or contents in more than one state.

**The 2008 Florida Statutes**  
**Title XXXVII Insurance**  
**Chapter 624**  
**Insurance Code: Administration and**  
**General Provisions**  
**F.S. 624.155 – excerpts**

**624.155 Civil remedy.--**

- (1) Any person may bring a civil action against an insurer when such person is damaged:
  - (a) By a violation of any of the following provisions by the insurer:
    1. Section [626.9541](#)(1)(i), (o), or (x);
  - (b) By the commission of any of the following acts by the insurer:
    1. Not attempting in good faith to settle claims when, under all the circumstances, it could and should have done so, had it acted fairly and honestly toward its insured and with due regard for her or his interests;
    2. Making claims payments to insureds or beneficiaries not accompanied by a statement setting forth the coverage under which payments are being made; or
    3. Except as to liability coverages, failing to promptly settle claims, when the obligation to settle a claim has become reasonably clear, under one portion of the insurance policy coverage in order to influence settlements under other portions of the insurance policy coverage.

Notwithstanding the provisions of the above to the contrary, a person pursuing a remedy under this section need not prove that such act was committed or performed with such frequency as to indicate a general business practice.

- (2) Any party may bring a civil action against an unauthorized insurer if such party is damaged by a violation of s. [624.401](#) by the unauthorized insurer.
- (3)(a) As a condition precedent to bringing an action under this section, the department and the authorized insurer must have been given 60 days' written notice of the violation. If the department returns a notice for lack of specificity, the 60-day time period shall not begin until a proper notice is filed.

The 2008 Florida Statutes  
Title XXXVII Insurance  
Chapter 626  
Insurance Field Representatives and  
Operations  
Part IX Unfair Insurance Trade Practices  
F.S. 626.9541(1)(i)

**626.9541 Unfair methods of competition and unfair or deceptive acts or practices defined.--**

(1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE ACTS.--The following are defined as unfair methods of competition and unfair or deceptive acts or practices:

(i) *Unfair claim settlement practices.--*

1. Attempting to settle claims on the basis of an application, when serving as a binder or intended to become a part of the policy, or any other material document which was altered without notice to, or knowledge or consent of, the insured;
2. A material misrepresentation made to an insured or any other person having an interest in the proceeds payable under such contract or policy, for the purpose and with the intent of effecting settlement of such claims, loss, or damage under such contract or policy on less favorable terms than those provided in, and contemplated by, such contract or policy; or
3. Committing or performing with such frequency as to indicate a general business practice any of the following:
  - a. Failing to adopt and implement standards for the proper investigation of claims;
  - b. Misrepresenting pertinent facts or insurance policy provisions relating to coverages at issue;
  - c. Failing to acknowledge and act promptly upon communications with respect to claims;
  - d. Denying claims without conducting reasonable investigations based upon available information;
  - e. Failing to affirm or deny full or partial coverage of claims, and, as to partial coverage, the dollar amount or extent of coverage, or failing to provide a written statement that the claim is being investigated, upon the written request of the insured within 30 days after proof-of-loss statements have been completed;
  - f. Failing to promptly provide a reasonable explanation in writing to the insured of the basis in the insurance policy, in relation to the facts or applicable law, for denial of a claim or for the offer of a compromise settlement;
  - g. Failing to promptly notify the insured of any additional information necessary for the processing of a claim; or
  - h. Failing to clearly explain the nature of the requested information and the reasons why such information is necessary.

# Florida Administrative Code Rule 69B 220.201 Effective Date 09/03/2006 Adjusters / Ethical Requirements

(1) Definitions. The following definitions shall apply for purposes of this rule:

(a) "Adjuster," when used without further specification, includes all types and classes of insurance adjusters, (company, independent, and public), subject to Chapter 626, Florida Statutes, regardless of whether resident or nonresident, and whether permanent, temporary, or emergency licensees.

(b) "Client" includes both clients and potential clients; and means any person who consults with or hires an adjuster to provide adjusting services.

(c) "Department" means the Florida Department of Financial Services.

(d) "Person" includes natural persons and legal entities.

(2) Violation.

(a) Violation of any provision of this rule shall constitute grounds for administrative action against the licensee.

(b) A breach of any provision of this rule constitutes an unfair claims settlement practice.

# Florida Administrative Code Rule 69B 220.201 Effective Date 09/03/2006 Adjusters / Ethical Requirements

(3) Code of Ethics. The work of adjusting insurance claims engages the public trust. An adjuster shall put the duty for fair and honest treatment of the claimant above the adjuster's own interests in every instance. The following are standards of conduct that define ethical behavior, and shall constitute a code of ethics that shall be binding on all adjusters:

(a) An adjuster shall: not directly or indirectly refer or steer any claimant needing repairs or other services in connection with a loss to any person with whom the adjuster has an undisclosed financial interest, or who will or is reasonably anticipated to provide the adjuster any direct or indirect compensation for the referral or for any resulting business.

(b) An adjuster shall treat all claimants equally.

1. An adjuster shall not provide favored treatment to any claimant.

2. An adjuster shall adjust all claims strictly in accordance with the insurance contract.

(c) An adjuster shall not approach investigations, adjustments, and settlements in a manner prejudicial to the insured.

(d) An adjuster shall make truthful and unbiased reports of the facts after making a complete investigation.

# Florida Administrative Code Rule 69B 220.201 Effective Date 09/03/2006 Adjusters / Ethical Requirements

(e) An adjuster shall handle every adjustment and settlement with honesty and integrity, and allow a fair adjustment or settlement to all parties without any remuneration to himself except that to which he is legally entitled.

(f) An adjuster, upon undertaking the handling of a claim, shall act with dispatch and due diligence in achieving a proper disposition of the claim.

(g) An adjuster shall promptly report to the Department any conduct by any licensed insurance representative of this state which violates any provision of the Insurance Code or Department rule or order.

(h) An adjuster shall exercise extraordinary care when dealing with elderly clients to assure that they are not disadvantaged in their claims transactions by failing memory or impaired cognitive processes.

(i) An adjuster shall not negotiate or effect settlement directly or indirectly with any third-party claimant represented by an attorney, if the adjuster has knowledge of such representation, except with the consent of the attorney. For purposes of this subsection, the term "third-party claimant" does not include the insured or the insured's resident relatives.

# Florida Administrative Code Rule 69B 220.201 Effective Date 09/03/2006 Adjusters / Ethical Requirements

(j) An adjuster is permitted to interview any witness, or prospective witness, without the consent of opposing counsel or party. In doing so, however, the adjuster shall scrupulously avoid any suggestion calculated to induce a witness to suppress or deviate from the truth, or in any degree affect the witness's appearance or testimony during deposition or at the trial. If any witness making or giving a signed or recorded statement so requests, the witness shall be given a copy of the statement.

(k) An adjuster shall not advise a claimant to refrain from seeking legal advice, nor advise against the retention of counsel to protect the claimant's interest.

(l) An adjuster shall not attempt to negotiate with or obtain any statement from a claimant or witness at a time that the claimant or witness is, or would reasonably be expected to be, in shock or serious mental or emotional distress as a result of physical, mental, or emotional trauma associated with a loss. The adjuster shall not conclude a settlement when the settlement would be disadvantageous to, or to the detriment of, a claimant who is in the traumatic or distressed state described above.

# Florida Administrative Code Rule 69B 220.201 Effective Date 09/03/2006 Adjusters / Ethical Requirements

(m) An adjuster shall not knowingly fail to advise a claimant of the claimant's claim rights in accordance with the terms and conditions of the contract and of the applicable laws of this state. An adjuster shall exercise care not to engage in the unlicensed practice of law as prescribed by the Florida Bar.

(n) A company or independent adjuster shall not draft special releases called for by the unusual circumstances of any settlement or otherwise draft any form of release, unless advance written approval by the insurer can be demonstrated to the Department. Except as provided above, a company or independent adjuster is permitted only to fill in the blanks in a release form approved by the insurer they represent.

(o) An adjuster shall not undertake the adjustment of any claim concerning which the adjuster is not currently competent and knowledgeable as to the terms and conditions of the insurance coverage, or which otherwise exceeds the adjuster's current expertise.

(p) No person shall, as a public adjuster, represent any person or entity whose claim the adjuster has previously adjusted while acting as an adjuster representing any insurer or independent adjusting firm. No person shall, as a company or independent adjuster, represent him- or herself or any insurer or independent adjusting firm against any person or entity that the adjuster previously represented as a public adjuster.

# Florida Administrative Code Rule 69B 220.201 Effective Date 09/03/2006 Adjusters / Ethical Requirements

(q) A public adjuster shall not represent or imply to any client or potential client that insurers, company adjusters, or independent adjusters routinely attempt to, or do in fact, deprive claimants of their full rights under an insurance policy. No insurer, independent adjuster, or company adjuster shall represent or imply to any claimant that public adjusters are unscrupulous, or that engaging a public adjuster will delay or have other adverse effect upon the settlement of a claim.

(r) No public adjuster, while so licensed in the Department's records, may represent or act as a company adjuster, independent adjuster, or general lines agent.

(s) A company adjuster, independent adjuster, attorney, investigator, or other person acting on behalf of an insurer that needs access to an insured or claimant or to the insured property that is the subject of a claim shall provide at least 48 hours notice to the insured or claimant prior to scheduling a meeting with the claimant or an on-site inspection of the insured property. The insured or claimant may deny access to the property if this notice has not been provided.

# Florida Administrative Code Rule 69B 220.201 Effective Date 09/03/2006 Adjusters / Ethical Requirements

(4) Public Adjusters, Other Ethical Constraints. In addition to considerations set out above for adjusters, the following ethical considerations are specific to public adjusters and shall be binding upon public adjusters:

(a) A public adjuster shall advise the insured and claimant in advance of the insured or claimant's right of counsel, and choice thereof, to represent the insured or claimant, and that such choice is to be made solely by the insured or claimant.

(b) The public adjuster shall notify the insured or claimant in advance of the name and location of any proposed contractor, architect, engineer, or similar professional, before any bid or proposal by any of these persons may be used by the public adjuster in estimating the loss or negotiating settlement. The insured or claimant may exercise veto power of any of these persons, in which case that person shall not be used in estimating costs.

(c) The public adjuster shall ensure that if a contractor, architect, engineer, or other professional is used in formulating estimates or otherwise participates in the adjustment of the claim, the professional shall be licensed by the Florida Department of Business and Professional Regulation.

(d) A public adjuster shall not prevent, or attempt to dissuade or prevent, a claimant from speaking privately with the insurer, company or independent adjuster, attorney, or any other person, regarding the settlement of the claim.

# Florida Administrative Code Rule 69B 220.201 Effective Date 09/03/2006 Adjusters / Ethical Requirements

(e) A public adjuster shall not acquire any interest in salvaged property, except with the written consent and permission of the insured.

(f) A public adjuster shall not accept referrals of business from any person with whom the public adjuster may conduct business where there is any form or manner of agreement to compensate the person, whether directly or indirectly, for referring business to the public adjuster. Except as between licensed public adjusters, no public adjuster shall compensate any person, whether directly or indirectly, for the principal purpose of referring business to the public adjuster.

(g) A public adjuster's contract with a client shall be revocable or cancellable by the insured or claimant, without penalty or obligation, for at least 3 business days after the contract is executed. The public adjuster shall disclose to the insured that the insured has the right to cancel with prompt notice within the revocation period. If the insured elects to cancel the contract, prompt notice shall be provided to the adjuster. Nothing in the provision shall be construed to prevent an insured from pursuing any civil remedy after the 3-day cancellation period.

(h) A public adjuster shall not enter into a contract or accept a power of attorney which vests in the public adjuster the effective authority to choose the persons who shall perform repair work.

Florida Administrative Code Rule  
69B 220.201  
Effective Date 09/03/2006  
Adjusters / Ethical Requirements

- (i) A public adjuster shall ensure that all contracts for the public adjuster's services are in writing and set forth all terms and conditions of the engagement, including the terms required by subsection 69B-220.051(6), F.A.C.
- (j) A public adjuster shall not restrict or prevent an insurer, company adjuster, independent adjuster, attorney, investigator, or other person acting on behalf of the insurer from having reasonable access at reasonable times to an insured or claimant or to the insured property that is the subject of a claim.

# Florida Administrative Code Rule 69B 220.201 Effective Date 09/03/2006 Adjusters / Ethical Requirements

(5) Public Adjusters, Ethical Constraints During State of Emergency. In addition to considerations set forth above, the following ethical considerations shall apply to public adjusters in the event that the Governor of the State of Florida issues an Executive Order, by virtue of the authority vested in Article IV, Section 1(a) of the Florida Constitution and by the Florida Emergency Management Act, as amended, and all other applicable laws, declaring that a state of emergency exists in the State of Florida:

(a) No public adjuster shall require, demand, charge or accept any fee, retainer, compensation, commission, deposit, or other thing of value, prior to receipt by the insured or claimant of a payment on the claim by the insurer.

(b) As to any one insured or claimant, no public adjuster shall charge, agree to, or accept as compensation or reimbursement any payment, commission, fee, or other thing of value equal to more than ten percent of the amount of any insurance settlement or claim payment.

# Florida Administrative Code Rule 69B 220.201 Effective Date 09/03/2006 Adjusters / Ethical Requirements

(c) No public adjuster shall enter into any contract, agreement or other arrangement with any person, including an attorney, building contractor, architect, appraiser or repairman, by which the person would enter into an agreement to assist a claimant or insured on an insurance claim, utilize the services of the adjuster to carry out the agreement and pay the adjuster an amount that would exceed the limitation of the adjuster's compensation or reimbursement as provided in paragraph (b) above.

(d) This subsection applies to all claims that arise out of the events that created the State of Emergency, whether or not the adjusting contract was entered into while the State of Emergency was in effect and whether or not a claim is settled while the State of Emergency is in effect.

*Specific Authority 624.308, 626.878, 626.9611 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.865(2), 626.878, 626.9541(1)(i) FS. History—New 6-2-93, Amended 12-18-01, Formerly 4-220.201, Amended 3-27-05, 9-3-06.*

# CHAPTER 690-220.

## ADJUSTERS

- (1) Purpose. This rule sets forth the various ethical considerations and constraints for various classes of insurance adjusters.
- (2) Definitions. The following definitions shall apply for purposes of this rule.
  - (a) "Adjuster," when used without further specification, refers to and includes all types and classes of insurance adjusters, (company, independent, and public), subject to Chapter 626, Florida Statutes, and regardless whether resident or nonresident, and whether permanent, temporary, or emergency licensees.
  - (b) "Client" refers to and includes both clients and potential clients; and means any person who consults with or hires an adjuster to provide adjusting services.
  - (c) "Office" refers to the Office of Insurance.
  - (d) "Person" includes natural persons and legal entities.
- (3) Violation. Violation of any provision of this rule shall constitute grounds for administrative action against the licensee, upon grounds, that include but are not limited to, that the violation demonstrates a lack of fitness to engage in the business of insurance. Additionally, a breach of any provision of this rule constitutes an unfair claims settlement practice.

# CHAPTER 690-220.

## ADJUSTERS

- (4) **Code of Ethics.** The work of adjusting insurance claims engages the public trust. An adjuster must put the duty for fair and honest treatment of the claimant above the adjuster's own interests, in every instance. The following are standards of conduct that define ethical behavior.
- (a) An adjuster shall disclose all financial interest in any direct or indirect aspect of an adjusting transaction. For example: an adjuster shall not directly or indirectly refer or steer any claimant needing repairs or other services in connection with a loss to any person with whom the adjuster has an undisclosed financial interest, or which person will or is reasonably anticipated to provide the adjuster any direct or indirect compensation for the referral or for any resulting business.
  - (b) An adjuster shall treat all claimants equally. An adjuster shall not provide favored treatment to any claimant. An adjuster shall adjust all claims strictly in accordance with the insurance contract.
  - (c) An adjuster shall never approach investigations, adjustments, and settlements in a manner prejudicial to the insured.
  - (d) An adjuster shall make truthful and unbiased reports of the facts after making a complete investigation.
  - (e) An adjuster shall handle every adjustment and settlement with honesty and integrity and allow a fair adjustment or settlement to all parties without any remuneration to himself except that to which he is legally entitled.
  - (f) An adjuster, upon undertaking the handling of a claim, shall act with dispatch and due diligence in achieving a proper disposition thereof.
  - (g) An adjuster shall promptly report to the Office any conduct by any licensed insurance representative of this state, which conduct violates any insurance law or Office rule or order.
  - (h) An adjuster shall exercise extraordinary care when dealing with elderly clients, to assure that they are not disadvantaged in their claims transactions by failing memory or impaired cognitive processes.

# CHAPTER 690-220.

## ADJUSTERS

- (i) An adjuster shall not negotiate or effect settlement directly or indirectly with any third-party claimant represented by an attorney, if said adjuster has knowledge of such representation, except with the consent of the attorney. For purposes of this subsection, the term "third-party claimant" does not include the insured or the insured's resident relatives.
- (j) An adjuster is permitted to interview any witness, or prospective witness, without the consent of opposing counsel or party. In doing so, however, the adjuster shall scrupulously avoid any suggestion calculated to induce a witness to suppress or deviate from the truth, or in any degree affect their appearance or testimony at the trial or on the witness stand. If any witness making or giving a signed or recorded statement so requests, the witness shall be given a copy thereof.
- (k) An adjuster shall not advise a claimant to refrain from seeking legal advice, nor advise against the retention of counsel to protect the claimant's interest.
- (l) An adjuster shall not attempt to negotiate with or obtain any statement from a claimant or witness at a time that the claimant or witness is, or would reasonably be expected to be, in shock or serious mental or emotional distress as a result of physical, mental, or emotional trauma associated with a loss. Further, the adjuster shall not conclude a settlement when such settlement would be disadvantageous or to the detriment of a claimant who is in the traumatic or distressed state described above.
- (m) An adjuster shall not knowingly fail to advise a claimant of their claim rights in accordance with the terms and conditions of the contract and of the applicable laws of this state. An adjuster shall exercise care not to engage in the unlicensed practice of law as prescribed by the Florida Bar.
- (n) A company or independent adjuster shall not draft, unless approved in writing in advance by the insurer and such written communication can be demonstrated to the Office, special releases called for by the unusual circumstances of any settlement or otherwise draft any form of release. Except as provided above, a company or independent adjuster is only permitted to fill in the blanks in a release form approved by the insurer they represent.

# CHAPTER 690-220.

## ADJUSTERS

- (5) **Public Adjusters, Other Ethical Constraints.** In addition to considerations set out above for adjusters, the following ethical considerations are specific to public adjusters.
- (a) A public adjuster shall advise the insured and claimant in advance of their right to choice of counsel to represent the insured or claimant, and that such choice is to be made solely by the insured or claimant.
  - (b) The public adjuster shall notify the insured or claimant in advance of the name and location of any proposed contractor, architect, engineer, or similar professional, before any bid or proposal by any of these persons may be used by the public adjuster in estimating the loss or negotiating settlement, and the insured or claimant may exercise veto power of any of these persons in which case that person shall not be used in estimating costs.
  - (c) The public adjuster shall ensure that if a contractor, architect, engineer, or other licensed professional is used in formulating estimates or otherwise participates in the adjustment of the claim, the professional must be licensed by the Florida Department of Business and Professional Regulation.
  - (d) A public adjuster shall not prevent, or attempt to dissuade or prevent, a claimant from speaking privately with the insurer, company or independent adjuster, attorney, or any other person, regarding the settlement of the claim.
  - (e) A public adjuster shall not acquire any interest in salvaged property, except with the written consent and permission of the insured.
  - (f) A public adjuster shall not accept referrals of business from any person with whom the public adjuster may conduct business where there is any form or manner of agreement to compensate the person, whether directly or indirectly, for referring business to the public adjuster. Except as between licensed public adjusters, or licensed public adjusters and members of the Florida Bar, no public adjuster may compensate any person, whether directly or indirectly, for the principal purpose of referring business to the public adjuster.