

INFORMATIONAL MEMORANDUM

OIR-19-02M

ISSUED

June 14, 2019

Florida Office of Insurance Regulation

David Altmaier, Commissioner

TO ALL PROPERTY AND CASUALTY INSURERS AUTHORIZED TO DO BUSINESS IN FLORIDA

~CHANGES TO ASSIGNMENT OF BENEFITS LAW~

On May 23, 2019, Governor DeSantis signed House Bill 7065, a significant reform to Assignment of Benefits, into law. The bill is now Chapter 2019-57, Laws of Florida, (“Act”) and generally becomes effective on July 1, 2019. The Florida Office of Insurance Regulation (“OIR”) is issuing this Informational Memorandum to notify insurers of the passage of the Act, to discuss various provisions of the Act, and to provide guidance to facilitate its implementation.

ASSIGNMENT AGREEMENTS

The Act creates Section 627.7152, Florida Statutes, which contains definitions and required provisions for assignment agreements executed under residential property insurance policies or commercial property insurance policies. Because these required provisions relate to the assignment agreements themselves, and not to the terms of the insurance policy, no form or rate filings are required to comply. If insurers choose to notify their policyholders of these new assignment agreement provisions, they may do so without filing such notice with the OIR.

However, if insurers choose to modify their policy forms to provide, for instance, a designated location for the receipt of assignment agreements, which is provided for in Section 627.7152(2)(a)3.b., Florida Statutes, such a change or endorsement to the policy form must be filed with and approved by the OIR.

Section 627.7152(12), Florida Statutes, provides for the collection of data on residential and commercial property insurance claims paid under an assignment agreement. The first data report is due January 30, 2022. The data elements to be reported will be specified in a rule to be promulgated by the Financial Services Commission and must include data about claims adjustment

instructions, which can be found here ([HB 7065 Data Call](#)), closely resemble previous AOB data calls.

STANDARDS FOR POLICIES RESTRICTING ASSIGNMENT

Section 2 of the Act creates Section 627.7153, Florida Statutes, which provides standards for policies that restrict the assignment of benefits in whole or in part under a property insurance policy. The new language provides that an insurer may restrict assignments of benefits under a property insurance policy in whole or in part only if it meets all of the following requirements:

The insurer must also contemporaneously offer to the insured or applicant a policy that does not restrict assignment;