



INFORMATIONAL MEMORANDUM

OIR-23-05M

ISSUED

August 28, 2023

Florida Office of Insurance Regulation

Michael Yaworsky, Commissioner

NOTIFICATION TO ALL AUTHORIZED RESIDENTIAL PROPERTY INSURERS

~ Guidance for Tropical Storm Idalia Preparedness and Response ~

As Tropical Storm Idalia approaches the State of Florida, the Florida Office of Insurance Regulation (OIR) is issuing this Informational Memorandum to all authorized residential property insurers to provide guidance on hurricane preparedness and response. Insurers are directed to review all aspects of their disaster preparedness and response plans to ensure they are in compliance with Florida law.

Additionally, OIR expects insurers to be prepared to implement their claims-handling manuals which meet the requirements of the Florida Insurance Code and meet minimum, usual and customary industry claims-handling practices. Insurers were required to attest that it maintains adequate resources available to implement the requirements of its claims-handling manuals at all times, including during natural disasters and catastrophic events. More information regarding claims-handling manual attestations can be found [here](#).

Additional information regarding consumer protection legislation signed by Governor DeSantis to support Florida policyholders when disaster strikes is available [here](#).

Insurance Commissioner Michael Yaworsky and OIR continue to monitor Tropical Storm Idalia's projected path and will issue updates to authorized insurers as more information becomes available.

Claims Handling

Insurers are directed to consider all aspects of claims handling within their hurricane preparedness plans to ensure continuous operation, offer sufficient claims adjustment staff, and provide effective consumer service resources for policyholders. Section 627.70131(1)(d), F.S., authorizes insurers to use electronic methods to investigate the loss that is reported in a claim. Insurers are encouraged to use all available resources to effectively facilitate the claims process for consumers. Methods that may be used include, but are not limited to:

- Electronic photographs;
- Video recordings of the loss;

- Video conferencing between the adjuster and the policyholder which includes video recording of the loss; and
- Video recordings or photographs of the loss using a drone, driverless vehicle, or other machine that can move independently or through remote control.

An insurer may allow the policyholder to use such electronic methods to assist in the investigation of the claim. An insurer may assign a licensed adjuster to physically inspect the property even if electronic methods are used to investigate the loss.

Insurers' claim handling practices should not only comply with required provisions of Florida law, but also do everything possible to respond to the needs of affected Floridians, restore a sense of normalcy, and facilitate restoration and recovery in impacted communities. Policyholders have the right to expect prompt, efficient, and fair claims adjustment service, especially after a catastrophic loss. Insurers are encouraged to be responsive to their policyholders and communicate with them throughout the claims process.

Maintaining Records

Insurers should be prepared to maintain records related to a policyholder's claim in accordance with applicable Florida Laws. Section 627.70131(4)(b), F.S., requires insurers to maintain the following records, including:

- Any claim-related communication made between the insurer and the policyholder or the policyholder's representative;
- The insurer's receipt of the policyholder's proof-of-loss statement;
- Any claim-related request for information made by the insurer to the policyholder or the policyholder's representative;
- Any claim-related inspection of the property made by the insurer;
- Any detailed estimate of the amount of the loss generated by the insurer's adjuster;
- The beginning and end of any tolling period; and
- The insurer's payment or denial of the claim.

Fines

OIR will use the fullest extent of its regulatory authority to ensure policyholders are protected. Section 624.4211(1), F.S., provides that if OIR finds that one or more grounds exist for the discretionary revocation or suspension of a certificate or authority issued under Chapter 624, OIR may, in lieu of such revocation or suspension, impose a fine upon the insurer. Upon examination, a violation of the Florida Insurance Code could result in any of the following:

- For nonwillful violations, OIR may issue fines up to \$25,000 per violation, up to an aggregate amount of \$100,000 for all nonwillful violations arising out of the same action, related to a covered loss or claim caused by an emergency for which the Governor declared a state of emergency pursuant to s. 252.36, F.S.
- For all other nonwillful violations arising out of the same action, OIR may issue fines up to \$12,500 per violation, up to an aggregate amount of \$50,000.

- For knowing and willful violations of a lawful order or rule of the office or commission or a provision of this code, OIR may impose a fine upon the insurer up to \$200,000 for each such violation, up to an aggregate amount of \$1 million for violations arising out of the same action, related to a covered loss or claim caused by an emergency for which the Governor declared a state of emergency pursuant to s. 252.36, F.S.
- For all other knowing and willful violations arising out of the same action, OIR may issue fines up to \$100,000 per violation, up to an aggregate amount of \$500,000.

OIR's primary concern is that consumers' issues are properly and timely resolved. Communication is a critical part of the claims process, and consumers have the right to expect consistent and accurate information be provided to them as they navigate one of the toughest times in their lives - recovery from a major catastrophic event. Insurers are directed to use every channel available to them to communicate with their policyholders to share information and resources during the claims handling process.

If you have questions regarding this memorandum, please contact OIR at InformationalMemoranda@flor.com.