

## CS/HB 301 by Rep. Santiago – Homeowner’s Insurance Stops Bad Faith During Appraisal Process

### **SUPPORT AMENDMENT REMOVING SECTION 1 FROM THE BILL**

CS/HB 301 contains a provision that states that an insurance company can’t be held in bad faith if the claim is in the appraisal process.

By definition, a homeowners’ insurance policy is a “contract of adhesion” meaning it is a *standardized contract written by the insurance companies on a “take it or leave it” basis without giving the consumer an opportunity to bargain for terms that are more favorable.*

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**Please Vote to Remove this Anti-Consumer Provision!**

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#### DELAY AND EXPENSE

- The insurance company can invoke appraisal as a delay strategy, without the homeowner’s agreement. The homeowner must then pay 100% of their appraiser and 50% of any Umpires and Experts. This can be thousands of dollars.
- There is also no deadline or timeframe in which the appraisal must be completed. This opens it to abuse as a total DELAY TACTIC. In the *Landers* case, State Farm invoked appraisal and the case took 8 years. State Farm lost and now wants to change this good law.

#### UNNECESSARY —REVERSES 36 YEARS OF GOOD LAW

- This bill legislatively reverses the *Landers* case, a 5th DCA case from 2018. The *Landers* case itself was based on a Florida Supreme Court case from 2000 (*Vest v. Travelers Ins*), so it reverses 18 years of case law.
- Section 624.155 was created in 1982 to encourage insurers to act in good faith. The bill will change 36 years of law with NO demonstrated problem.

#### COMPLETE IMMUNITY FROM BAD FAITH

- If this bill passes with the appraisal provision, the insurance company has complete immunity from bad faith while the appraisal process is on-going – which could be years.
- Once the insurance company gets a civil remedy notice, it has 60 days to cure. With this bill, the insurance company can just file for appraisal on day 59 every time!

This provision does nothing to help the homeowner when they need their insurance coverage to provide the coverage they have paid for in a timely manner.

**VOTE YES TO REMOVE SECTION 1 FROM CS/HB 301**