

The 2023 Florida Statutes

[Title XXXVII](#)
INSURANCE

[Chapter 627](#)
INSURANCE RATES AND CONTRACTS

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627.7152 Assignment agreements.—

(1) As used in this section, the term:

(a) “Assignee” means a person who is assigned post-loss benefits through an assignment agreement.

(b) “Assignment agreement” means any instrument by which post-loss benefits under a residential property insurance policy or commercial property insurance policy, as that term is defined in s. [627.0625\(1\)](#), are assigned or transferred, or acquired in any manner, in whole or in part, to or from a person providing services, including, but not limited to, inspecting, protecting, repairing, restoring, or replacing the property or mitigating against further damage to the property. The term does not include fees collected by a public adjuster as defined in s. [626.854\(1\)](#).

(c) “Assignor” means a person who assigns post-loss benefits under a residential property insurance policy or commercial property insurance policy to another person through an assignment agreement.

(d) “Presuit settlement demand” means the demand made by the assignee in the written notice of intent to initiate litigation as required by paragraph (9)(a).

(e) “Presuit settlement offer” means the offer made by the insurer in its written response to the notice of intent to initiate litigation as required by paragraph (9)(b).

(2)¹(a) An assignment agreement must:

1. Be executed under a residential property insurance policy or under a commercial property insurance policy as that term is defined in s. [627.0625\(1\)](#), issued on or after July 1, 2019, and before January 1, 2023.

2. Be in writing and executed by and between the assignor and the assignee.

3. Contain a provision that allows the assignor to rescind the assignment agreement without a penalty or fee by submitting a written notice of rescission signed by the assignor to the assignee within 14 days after the execution of the agreement, at least 30 days after the date work on the property is scheduled to commence if the assignee has not substantially performed, or at least 30 days after the execution of the agreement if the agreement does not contain a commencement date and the assignee has not begun substantial work on the property.

4. Contain a provision requiring the assignee to provide a copy of the executed assignment agreement to the insurer within 3 business days after the date on which the assignment agreement is executed or the date on which work begins, whichever is earlier. Delivery of the copy of the assignment agreement to the insurer may be made:

a. By personal service, overnight delivery, or electronic transmission, with evidence of delivery in the form of a receipt or other paper or electronic acknowledgment by the insurer; or

b. To the location designated for receipt of such agreements as specified in the policy.

5. Contain a written, itemized, per-unit cost estimate of the services to be performed by the assignee.

6. Relate only to work to be performed by the assignee for services to protect, repair, restore, or replace a dwelling or structure or to mitigate against further damage to such property.

7. Contain the following notice in 18-point uppercase and boldfaced type:

YOU ARE AGREEING TO GIVE UP CERTAIN RIGHTS YOU HAVE UNDER YOUR INSURANCE POLICY TO A THIRD PARTY, WHICH MAY RESULT IN LITIGATION AGAINST YOUR INSURER. PLEASE READ AND UNDERSTAND THIS DOCUMENT BEFORE SIGNING IT. YOU HAVE THE RIGHT TO CANCEL THIS AGREEMENT WITHOUT PENALTY WITHIN 14 DAYS AFTER THE DATE THIS AGREEMENT IS EXECUTED, AT LEAST 30 DAYS AFTER THE DATE WORK ON THE PROPERTY IS SCHEDULED TO COMMENCE IF THE ASSIGNEE HAS NOT SUBSTANTIALLY PERFORMED, OR AT LEAST 30 DAYS AFTER THE EXECUTION OF THE AGREEMENT IF THE AGREEMENT DOES NOT CONTAIN A COMMENCEMENT DATE AND THE ASSIGNEE HAS NOT BEGUN SUBSTANTIAL WORK ON THE PROPERTY. HOWEVER, YOU ARE OBLIGATED FOR PAYMENT OF ANY CONTRACTED WORK PERFORMED BEFORE THE AGREEMENT IS RESCINDED. THIS AGREEMENT DOES NOT CHANGE YOUR OBLIGATION TO PERFORM THE DUTIES REQUIRED UNDER YOUR PROPERTY INSURANCE POLICY.

8. Contain a provision requiring the assignee to indemnify and hold harmless the assignor from all liabilities, damages, losses, and costs, including, but not limited to, attorney fees.

¹(b) An assignment agreement may not contain:

1. A penalty or fee for rescission under subparagraph (a)3.;

2. A check or mortgage processing fee;

3. A penalty or fee for cancellation of the agreement; or

4. An administrative fee.

(c) If an assignor acts under an urgent or emergency circumstance to protect property from damage and executes an assignment agreement to protect, repair, restore, or replace property or to mitigate against further damage to the property, an assignee may not receive an assignment of post-loss benefits under a residential property insurance policy in excess of the greater of \$3,000 or 1 percent of the Coverage A limit under such policy. For purposes of this paragraph, the term “urgent or emergency circumstance” means a situation in which a loss to property, if not addressed immediately, will result in additional damage until measures are completed to prevent such damage.

(d) An assignment agreement that does not comply with this subsection is invalid and unenforceable.

(3) In a claim arising under an assignment agreement, an assignee has the burden to demonstrate that the insurer is not prejudiced by the assignee's failure to:

- (a) Maintain records of all services provided under the assignment agreement.
- (b) Cooperate with the insurer in the claim investigation.
- (c) Provide the insurer with requested records and documents related to the services provided, and permit the insurer to make copies of such records and documents.
- (d) Deliver a copy of the executed assignment agreement to the insurer within 3 business days after executing the assignment agreement or work has begun, whichever is earlier.
- (4) An assignee:
 - (a) Must provide the assignor with accurate and up-to-date revised estimates of the scope of work to be performed as supplemental or additional repairs are required.
 - (b) Must perform the work in accordance with accepted industry standards.
 - (c) May not seek payment from the assignor exceeding the applicable deductible under the policy unless the assignor has chosen to have additional work performed at the assignor's own expense.
 - (d) Must, as a condition precedent to filing suit under the policy, and, if required by the insurer, submit to examinations under oath and recorded statements conducted by the insurer or the insurer's representative that are reasonably necessary, based on the scope of the work and the complexity of the claim, which examinations and recorded statements must be limited to matters related to the services provided, the cost of the services, and the assignment agreement.
 - (e) Must, as a condition precedent to filing suit under the policy, and, if required by the insurer, participate in appraisal or other alternative dispute resolution methods in accordance with the terms of the policy.

(5) An assignment agreement and this section do not modify or eliminate any term, condition, or defense relating to any managed repair arrangement provided in the policy.

(6) An assignment agreement does not transfer or create any authority to adjust, negotiate, or settle any portion of a claim to a person or entity not authorized to adjust, negotiate, or settle a claim on behalf of an assignor or a claimant under part VI of chapter 626.

(7)(a) Notwithstanding any other provision of law, and except as provided in paragraph (b), acceptance by an assignee of an assignment agreement is a waiver by the assignee and its subcontractors of claims against a named insured for payments arising from the assignment agreement. The assignee and its subcontractors may not collect or attempt to collect money from an insured, maintain any action at law against an insured, claim a lien on the real property of an insured, or report an insured to a credit agency for payments arising from the assignment agreement. Such waiver remains in effect after the assignment agreement is rescinded by the assignor or after a determination that the assignment agreement is invalid.

(b) A named insured is responsible for the payment of all of the following:

1. Any deductible amount due under the policy.
2. Any betterment ordered and performed that is approved by the named insured.
3. Any contracted work performed before the assignment agreement is rescinded.

(8) The assignee shall indemnify and hold harmless the assignor from all liabilities, damages, losses, and costs, including, but not limited to, attorney fees.

(9)(a) An assignee must provide the named insured, the insurer, and the assignor, if not the named insured, with a written notice of intent to initiate litigation before filing suit under the policy. Such notice must be served at least 10 business days before filing suit, but not before the insurer has made a determination of coverage under s. [627.70131](#). The notice must be served by certified mail, return receipt requested, to the name and mailing address designated by the insurer in the policy forms or by electronic delivery to the e-mail address designated by the insurer in the policy forms. The notice must specify the damages in dispute, the amount claimed, and a presuit settlement demand. Concurrent with the notice, and as a precondition to filing suit, the assignee must provide the named insured, the insurer, and the assignor, if not the named insured, a detailed written invoice or estimate of services, including itemized information on equipment, materials, and supplies; the number of labor hours; and, in the case of work performed, proof that the work has been performed in accordance with accepted industry standards.

(b) An insurer must respond in writing to the notice within 10 business days after receiving the notice specified in paragraph (a) by making a presuit settlement offer or requiring the assignee to participate in appraisal or other method of alternative dispute resolution under the policy. An insurer must have a procedure for the prompt investigation, review, and evaluation of the dispute stated in the notice and must investigate each claim contained in the notice in accordance with the Florida Insurance Code.

(10) Notwithstanding any other provision of law, in a suit related to an assignment agreement for post-loss claims arising under a residential or commercial property insurance policy, attorney fees and costs may be recovered by an assignee only under s. [57.105](#). If an assignee commences an action in any court of this state based upon or including the same claim against the same adverse party that such assignee has previously voluntarily dismissed in a court of this state, the court may order the assignee to pay the attorney fees and costs of the adverse party resulting from the action previously voluntarily dismissed. The court shall stay the proceedings in the subsequent action until the assignee has complied with the order.

(11) This section does not apply to:

- (a) An assignment, transfer, or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss;
- (b) A power of attorney under chapter 709 that grants to a management company, family member, guardian, or similarly situated person of an insured the authority to act on behalf of an insured as it relates to a property insurance claim; or
- (c) Liability coverage under a property insurance policy.

(12) The office shall require each insurer to report by January 30, 2022, and each year thereafter data on each residential and commercial property insurance claim paid in the prior calendar year under an assignment agreement. The Financial Services Commission shall adopt by rule a list of the data required, which must include specific data about claims adjustment and settlement timeframes and trends, grouped by whether litigated or not litigated and by loss adjustment expenses.

¹(13) Except as provided in subsection (11), a policyholder may not assign, in whole or in part, any post-loss insurance benefit under any residential property insurance policy or under any commercial property insurance policy as that term is defined in s. [627.0625\(1\)](#), issued on or after January 1, 2023. An attempt to assign post-loss property insurance benefits under such a policy is void, invalid, and unenforceable.

History.—s. 1, ch. 2019-57; s. 23, ch. 2019-58; s. 18, ch. 2022-268; s. 21, ch. 2022-271.

¹**Note.**—Section 23, ch. 2023-172, provides that “[c]hapter 2022-271, Laws of Florida, shall not be construed to impair any right under an insurance contract in effect on or before the effective date of that chapter law. To the extent that chapter 2022-271, Laws of Florida, affects a right under an insurance contract, that chapter law applies to an insurance contract issued or renewed after the applicable effective date provided by the chapter law. This section is intended to clarify existing law and is remedial in nature.”