

2027 FLORIDA LEGISLATIVE CONSUMER PROTECTION PROPOSALS

Florida insurance consumers are facing a critical moment:

Coverage is shrinking significantly while premiums rise
Consumers are being left with fewer protections and fewer options for help.

When consumer safeguards erode, families and businesses suffer,
and the stability of our entire insurance market is undermined.

This brochure outlines some basic Consumer Protection Proposals. A set of
targeted, common-sense reforms designed to strengthen transparency,
accountability, and access to meaningful help when people need it most.

These solutions protect Florida's families while supporting a healthy,
more reliable insurance marketplace.

RIGHT TO CONTRACT WITH A LICENSE HOLDER

Anti-Public Adjuster and Opt Out Endorsements are Anti Consumer

PROBLEM -

Some Surplus Lines and Admitted Carriers in Florida are adding endorsements that prohibit policyholders from getting any assistance from licensed and compliant public insurance adjusters. Some admitted carriers have been permitted to insert "opt out" provisions in their applications. The problem is that most consumer don't know what a public adjuster is or understand the rights they are giving up before they sign on the dotted line.

This strips consumers of their right to professional assistance during the claims process and undermines Florida's long-standing legal principle of freedom to contract. Public adjuster agreements are already strictly regulated to protect consumers. The only purpose of such prohibitions is to disadvantage policyholders—an action that is both unfair and likely unconstitutional.

SOLUTION -

Take the lead from the Texas legislature in protecting every Floridian's right to **contract with license holders**. Texas was experiencing the same anti-consumer prohibition and they passed consumer protection legislation that does not allow an insurer to prohibit a right to contract in their insurance policies.

626.8796() Protection of an insured's right to representation.—

(a) A property insurance policy, including any endorsement, rider, amendment, or renewal, may not contain any provision that prohibits, limits, waives, conditions, or otherwise impairs an insured's right to retain a licensed public adjuster as authorized under this part.

(b) An insurer may not deny, limit, reduce, condition, or otherwise affect the availability of coverage, policy benefits, claim handling procedures, or premium discounts based upon an insured's decision to retain or not retain a licensed public adjuster.

(c) Any policy provision or endorsement inconsistent with this subsection is void and unenforceable.

(d) Nothing in this subsection requires an insured to retain a licensed public adjuster.

Consumer Authority to Direct Payments

The issue is not whether a public adjuster should be paid—it is whether policyholders should retain the freedom to direct payment of their own insurance proceeds while being protected from the rare instances of misconduct. Florida can accomplish both. The law should target bad actors through stronger safeguards and enforcement rather than eliminating consumer choice or restricting protections for small business owners licensed to adjust claims for policyholder's on a contingency basis.

Solution: Separating the public adjuster's earned fee from the policyholder's claim payment protects both parties. Policyholders receive direct access to the insurance proceeds owed to them, while licensed public adjusters receive payment for services they have already earned under their contingency-fee agreement. If a contractual dispute arises, either party retains the right to resolve the matter through the courts, just as with any other contract.

Other states such as New York with their regulation ten statute have Successfully managed this issue. This same consumer protection language was previously filed in Florida but did not pass.

Consumer Protection bills, HB 1185 and SB 1398 filed in 2023 originally contained the following language:

“Payment of claim – When a claim is settled while the insured is represented by a public adjuster, the insurer shall issue the payment in check form. A total of two checks shall be issued. The first check shall be made payable to the public adjuster as payee, but not in excess of the amount of the public adjuster fee, as indicated in the executed public contract signed by the insured and submitted to the insurer. The second check must reflect the balance of the proceeds and be payable to the insured as the payee in the form of a separate check.

Requiring Additional Training of Public Adjuster Apprentices

PROBLEM -

The public adjusting industry wants to ensure apprentices receive sufficient field and regulatory training and have the necessary skills before they can become full fledged public adjusters. Currently only 6 months of apprentice training are required prior to becoming licensed.

SOLUTION -

increase apprenticeship to 12 months of as well as creating a certification curriculum and testing prepared by the Florida Association of Public Insurance Adjusters to ensure an apprentice received proper training.

FS 626.865 Public Adjuster Apprentice Qualifications currently says:

(e) Has been licensed and appointed in this state as a nonresident public adjuster on a continual basis for the previous 6 months, or has been licensed as an all-lines adjuster, and has been appointed on a continual basis for the previous 6 months as a public adjuster apprentice under s. 626.8561, as an independent adjuster under s. 626.855, or as a company employee adjuster under s. 626.856.

Requiring Additional Florida Specific Training of Non Resident Adjusters

FS 626.2815 (3) requires all resident licensees complete a 4 hour law and ethics regulatory update course every two years.

PROBLEM- Subsection (6) of that statute allows non residents to bypass this requirement if they are compliant with their home state CE requirements. As a result whenever there is a catastrophe in Florida, non resident adjusters who move into the state to work, are not trained on Florida regulatory requirements which often creates confusion, and claim delays for consumers.

SOLUTION - Require all non resident licensees to pass the same 4 hour law and ethics CE course that Florida residents are required to pass.

Technology Updates

PROBLEM - FS 626.854, 15 (a) currently requires the insurer and public adjuster to communicate with one another in good faith in an effort to investigate and reach agreement as to the scope and valuation of the covered loss. It also requires the insurer not to exclude public adjusters from their “in person” meetings.

SOLUTION - Due to upgrades in technology since that language was contemplated, many meetings and communications can take place electronically, virtually or by phone. Due to repeated reports about some insurers using this “in person” loophole to exclude a properly retained public adjuster, we believe that this language should include “any substantive meeting relating to the adjustment of the claim regardless of method. Including, virtual meetings, written correspondence, email, text messages and claim portal communications. “

Prohibition on Check Endorsement Authorizations in Public Adjuster Contracts

PROBLEM - A very small number of public adjusters have begun including check endorsement authorization language in their contracts purportedly to expedite the processing of insurance checks.

Recently a criminal element within the industry has taken to including this language, depositing checks and failing to forward the net proceeds to the policyholder for their repairs. The Department has taken regulatory action and arrested as well as removed licenses of some of these individuals, thankfully.

We believe this criminal activity can be avoided entirely by adding a prohibition of the inclusion of any clause in a public adjusters contract that would allow them to endorse a policyholders check to make the contract invalid and unenforceable as part of FS 626.8796 Public Adjuster Contracts; Disclosure Statement; Fraud Statement. Additionally, the inclusion of the Department’s previously suggested Consumer Authority to Direct Payment language would further protect policyholders from this kind of malfeasance in the claim process..

Protecting Florida Consumers from Illusory Insurance Coverage

PROBLEM -

Florida homeowners are increasingly paying higher insurance premiums while receiving less meaningful protection when they suffer a covered loss. This growing trend—commonly referred to as illusory coverage—occurs when an insurance policy appears to provide comprehensive protection but, through restrictive endorsements, sublimits, procedural barriers, or limitations on consumer representation, fails to deliver the coverage a reasonable policyholder expects. Insurance should provide financial security after a loss—not uncertainty.

Why It Matters

Property insurance is not a luxury—it is an essential financial safeguard for millions of Florida families and businesses. When coverage becomes illusory:

- Homeowners are unable to fully recover after disasters.
- Communities face longer and more difficult rebuilding efforts.
- Taxpayers bear increased disaster recovery costs.
- Consumer confidence in Florida's insurance market erodes.

This is not simply a claims handling issue. It is a broader consumer protection issue involving the gradual erosion of the value of insurance coverage.

The Regulatory Gap

Florida's current regulatory framework primarily reviews insurance rates, policy forms, and actuarial data. However, it does not adequately evaluate the cumulative impact of policy changes that reduce the practical value of coverage. As a result, policies may comply with existing filing requirements while providing significantly less meaningful protection than consumers reasonably expect.

Legislative Recommendations

The Legislature should consider reforms that promote transparency, consumer choice, and meaningful coverage, including:

- Truth-in-Coverage Disclosure
 - Require insurers to clearly disclose coverage reductions, restrictive endorsements, and significant changes before renewal.
 - Provide plain-language comparisons between current and prior policy coverage.

Coverage Adequacy Review

- Require insurers to certify that residential policies continue to provide meaningful protection for common covered perils and that cumulative endorsements do not effectively eliminate the benefit of coverage.
- Regulatory Oversight of Coverage Shrinkage
 - Authorize the Office of Insurance Regulation to evaluate reductions in coverage alongside requested rate increases and consider whether premium increases are justified when policy benefits have been materially reduced.
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- Protect the Right to Professional Assistance
 - Affirm that policyholders retain the right to seek assistance from licensed insurance professionals of their choosing and prohibit policy provisions that restrict or penalize that right.
- Enhanced Consumer Notice
 - Require standardized summaries identifying material reductions in coverage and require affirmative acknowledgment when significant policyholder rights or benefits are limited.

Public Policy Benefits

These reforms would:

- Protect Florida homeowners through greater transparency—not additional mandates.
- Preserve a competitive insurance marketplace while promoting informed consumer choice.
- Strengthen post-disaster recovery for families and communities.
- Increase confidence in Florida's insurance system.
- Ensure insurance regulation evaluates not only premium cost, but also the real-world value of the coverage being sold.

Insurance should work when people need it most.

Florida consumers deserve to know whether the coverage they purchase will provide meaningful protection when disaster strikes. Policies that collect full premiums while quietly reducing practical coverage undermine consumer confidence, weaken disaster resilience, and erode the integrity of Florida's insurance marketplace. Addressing illusory coverage is not anti-insurance—it is pro-consumer, pro-transparency, and pro-market integrity.

SHRINKFLATION

Your property insurance costs increase while your coverage and right to representation decrease

