



FAIR SETTLEMENT

We support HB 1197 by Rep. Hill and SB 1088 by Sen. Brandes to establish a limited, reasonable timeframe for settling claims where the liability and damages are not contested.

Issue/Background

Florida is considered one of the worst states in the country for exposure to so-called bad faith litigation. Florida law doesn't require claimants who are not the policyholder to send a demand or clearly state the amount of money to achieve a fair settlement. This absence of clear rules to satisfy a demand has enabled trial lawyers to game Florida's judicial system, which is costing Florida small businesses, families, consumers and job creators.

The Problem

Trial lawyers game the system by imposing arbitrary and unreasonable time frames for complying with their demands. Often these demands are multi-conditional or unrealistic, making it impossible for the insurer to settle an undisputed claim. The result is lucrative multi-million dollar settlements and payouts that greatly exceed policy limits of policyholders. It is time to establish clear rules that all parties can follow to fairly resolve undisputed claims.

The Solution

The remedy to these problems is straightforward:

- Have anyone (the insured, the claimant, or someone acting on behalf of the claimant like a relative or attorney) send the insurer a written notice of loss.
- Within 45 days, the insurer can pay the lesser of the demand amount or the policy limits to protect its insured, and not be liable for a bad faith failure to settle under the statute or common law.

This simple, common sense reform will encourage certainty, fair settlements, and ensure the fairness of Florida's legal system.