



INFORMATIONAL MEMORANDUM

OIR-23-02M

ISSUED

March 27, 2023

Florida Office of Insurance Regulation

Michael Yaworsky, Commissioner

TO ALL PROPERTY AND CASUALTY INSURERS AUTHORIZED TO DO BUSINESS IN FLORIDA

~ Hurricanes Ian and Nicole Claims Handling Processes and Catastrophe Reporting ~

Hurricane Ian made landfall in Lee County on September 28, 2022, and Hurricane Nicole made landfall in Indian River County on November 10, 2022, causing estimated total insured losses of \$14.4 billion and generating more than 750,000 claims as of March 9, 2023, according to data filed with the Florida Office of Insurance Regulation (OIR).

OIR is issuing **Informational Memoranda OIR-23-02M** to all property and casualty insurers authorized to do business in Florida to continue to ensure they have all available resources in place to appropriately and swiftly facilitate consumer claims, inform them of regulatory actions taken by OIR to investigate claims handling processes, and notify them of catastrophe reporting deadlines.

Claims Handling Practices

On multiple occasions, OIR directed insurers to review all claims handling procedures to ensure claims can be resolved quickly for consumers. 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.

Market Conduct Investigations

OIR is conducting investigations into company claims handling for Hurricane Ian. To date, OIR has initiated more than 50 market conduct investigations to evaluate aspects of the claims handling process. These investigations are confidential and exempt from public records until the investigation is completed or ceases to be active, pursuant to s. 624.319(3)(a)2, F.S.

Based on the findings of an examination or investigation, OIR's market regulation units may take administrative action, impose administrative penalties, and require corrective action in order to protect insurance consumers from unlawful or harmful business practices.

Insurers are also reminded that in accordance with s. 627.7154(4), F.S., a market conduct examination determining that an insurer has exhibited a pattern or practice of willful violations of an unfair insurance trade practice related to claims-handling which caused harm to policyholders, triggers a referral to OIR's Insurer Stability Unit. A referral to the Insurer Stability Unit may result in enhanced monitoring of the insurer.

Additionally, Governor DeSantis and the Florida Legislature have passed a number of consumer protections as part of the recent insurance reforms, including expediting the claims and communication process and providing OIR with explicit market conduct authority. As a result, OIR will not only be reviewing how insurers are responding to claims subject to previous prompt payment timeframes, but how they plan to update their processes to accommodate shortened timeframes.

Hurricane Ian Catastrophe Reporting

OIR continues to review claims and complaint data from all stakeholders to evaluate insurers and remains committed to protecting Floridians in this recovery process.

In order to collect additional information regarding Hurricane Ian claims and more closely track the status of claims, OIR will continue to issue required catastrophe reporting notices. Catastrophe reporting provides valuable information to OIR and the state of Florida regarding the impact of a hurricane or other events. It is critical data is submitted timely and accurately. Insurers should be responsive to all future reporting deadlines and will be required to report Hurricane Ian claims data using the [2022 Catastrophe Reporting Template](#).

Use of Electronic Methods for Investigation of Claims

Insurers are reminded that to help facilitate the claims process and provide additional options for consumers, Senate Bill 2-A created s. 627.70131(1)(d), F.S., authorizing 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 recordings or the loss; and
- Video recordings or photographs of the loss using a drone, driverless vehicle, or other machine that can move independently 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.

Additional information regarding the implementation of items relating to electronic methods of claims investigations is available in [Informational Memoranda OIR-23-01M](#).

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.