

CONTRACTOR NEWS

The Gray Systems Newsletter for Florida Contractors



ASK FRED



Weather events such as Hurricane Irma cause small business owners like contractors to have questions about insurance claims.

Question: How long do I have to wait to hear from their insurance company after filing a claim? Could you point me to the right portion of the Florida Statutes ?

Answer: Florida statute 627.70131, F.S., requires an insurer to acknowledge communications regarding a claim within 14 calendar days. The insurer must review and acknowledge receipt of such communication, but there are some exceptions. If payment is made within that same

After the Storm

Have you been busier than usual after Hurricane Irma, or was your business impacted by the storm and you've suffered a loss? Catastrophic weather events are often followed by catastrophic financial loss to small business owners.



If damage occurred to any of your projects, you may have found out what it's like to need your insurance agent immediately following such an enormous state-wide weather event. You may also be finding that your clients are suffering as well, whether by displacement, delays in projects, financial hardship or the sheer lack of available hands to get things back on track. Because of the numbers of claims that insurance companies received and continue to receive, one Chapter of the Florida Statutes is worth a quick read.

Chapter 627 of the Florida Statutes provide the laws related to everything insurance. Whether you're experiencing insurance related problems as a contractor, or your clients are in the midst of an insurance claim, Chapter 627 has the laws that will help answer many questions. This issue of the newsletter provides some insight into two important problems on the minds of property owners: how long does the insurance company have before they must acknowledge a claim and how long do I have to wait to get paid on my claim? These questions as well as how long the insurance company has to deny a claim may be answered below in The Law Spot and in Ask Fred.

period of time, the insurer is not required to meet the 14 day requirement.
Hurricane Irma uncovers another exception to the rule. The insurance company is not strictly bound by the 14 day acknowledgement period if the failure to acknowledge is caused by factors beyond the control of the insurer which reasonably prevent such acknowledgment. In times when hundreds upon hundreds of claims are made at once, it may reasonably be assumed that an insurer may be unable to respond to all claimants timely.
If the acknowledgment is not in writing, a notification indicating acknowledgment shall be made in the insurer's claim file and dated. One requirement in that statute that may help alleviate the claimant's worry over the claim is that a communication made to or by an agent of an insurer with respect to a claim constitutes communication to or by the insurer. So hearing from the agent allows the claimant the knowledge that their claim has been received and is in the process of review, investigation or settlement.

[Click to read the statute](#)

Thanks for asking,
Fred Gray

How Long Will This Take? Understanding the Insurance Code

Under section 627.70131(5)(a), F.S., an insurer must pay or deny a claim (or a portion of the claim) within 90 days after an insurer receives notice of an initial, reopened, or supplemental property insurance claim from a policyholder.



When a catastrophic hurricane such as Irma ravages parts of nearly an entire state, the insurance company isn't required to follow the strict 90 day rule because its failure to pay is caused by factors beyond its control that reasonably prevent such payment.

To keep up with its statutory obligations, however, insurance companies have flocks of agents and adjusters in "staging" areas ready to descend upon an area affected by weather events. Hundreds upon hundreds of agents from all over the United States waited beyond Florida's borders for Irma to pass, and then they made their way to Florida to begin the claims process.

Altruistic or self-preservation? That's a good question. Any payment of an initial or supplemental claim made 90 days after the insurer receives notice of the claim, or made more than 15 days after there are no longer factors beyond the control of the insurer which reasonably prevented such payment (whichever is later) accrues interest, potentially costing the insurance company millions. Late payment of a claim also means that interest began to accrue from the date the insurer received notice of the claim.

[Click to read the statute.](#)

111 E Central Avenue Howey-in-the-Hills Florida United States
Phone: 800.223.5457 | Fax: 352.324.1667
www.graysystems.com