

• **An assignment agreement MUST!!!:**

- Be in writing executed by the assignor and assignee.
- Allow rescission without penalty within 14 days after execution of 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 agreement is executed if agreement doesn't have a commencement date and assignee has not begun substantial work.
- The assignment agreement must have language requiring the vendor to provide a copy of the assignment to the insurer within 3 business days after agreement is executed or the date work begins (whichever is earlier). Has to occur by 1) personal service; 2) overnight delivery; 3) email/electronic BUT they must have evidence of delivery in the form of a receipt or some form of acknowledgment from insurance company.
 - a. *If they fail to provide insurance carrier with the AOB within 3 business days after executing the assignment agreement or work has begun, whichever is earlier, then assignee has the burden to show that the carrier was not prejudiced by their failure.*
- Acknowledgement by insurer that the agreement has been received.
- Or location designated for receipt is specified in policy (the policy can state how or in what manner assignments are received (i.e. special email address).
- Contain itemized, per-unit cost estimate of services to be performed.
- 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.
- Contain notice in **18-POINT UPPERCASE & BOLDFACE FONT**.
- Must 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, should the policy subject to the assignment agreement prohibit, in whole or in part, the assignment of benefits
- An assignment agreement that does not comply with subsection (2) of 627.7152 is invalid and unenforceable.**

DOES THE ASSIGNMENT AGREEMENT CONTAIN THE FOLLOWING LANGUAGE? IF SO, IT IS INVALID:

An assignment agreement may not contain:

- A penalty or fee for rescission.
- A check or mortgage processing fee.
- A penalty or fee for cancellation.
- An administrative fee.
- IS IT MORE THAN \$3,000 OR 1% OF COVERAGE A?
 - If an assignor acts under **urgent or emergency circumstances** to protect property from damage, an assignee may not receive an assignment of post-loss benefits in excess of the greater of \$3,000 or 1% of the Coverage A limit.
 - This leaves open the possibility of “construction” or “contractor” AOBs, or assignments for NON-EMERGENCY services, like Regosa, Nolands, RMX construction, and Mason Dixon, and other roofing contractors. They are not subject to this limit. The limit pertains to EMS technicians and mold technicians that come in to alleviate “additional damage”; however, subject to the caveat that the policy provisions match with the statute.
 - Remember, if your insurance policy grants more rights, or more benefits than the statute, you would need to change the language in the policy to reflect the current statutory limits.
 - “**Urgent or emergency circumstance**” is defined to mean 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.
 - Does not include contractors Le Prestige LLC invoices. They are not subject to the limit. They may be eliminated by 2(a)(5) because their assignment does not relate to work to be performed to protect, repair, restore, or replace a dwelling or structure or to mitigate against further damage.
 - Could this also apply to mold? Well, if you have different limits in your policy, it can be argued that you bargained for the additional coverage, and you cannot apply this limit to mold coverage. However, mold mitigation should, and very frequently is considered emergency or urgent.

- Limit does not apply to contractors, or roofing contractors such as Nolands, Le Prestige, Mason Dixon, Regosa Engineering (except as it would pertain to roof tarping).
 - In sum, look at your policy. If your policy offers more than these limits, it will not likely apply without a fight. The statute provides the statutory limit but policies can institute a more lenient standard.
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- **“Urgent or emergency circumstance”** is defined to mean 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.

What happens when Assignee fails to...

- Maintain records of all services provided under the assignment agreement.
- Cooperate with the insurer in the claim investigation.
- Provide the insurer with requested records and documents relating to service provided and permit insurer to make copies.
- Deliver a copy of executed assignment agreement to the insurer within 3 business days after executing it or work has begun, whichever is earlier.

THEN.....

- **There is a presumption of prejudice to the insurer**
– Assignee has the burden to demonstrate that the insurer is not prejudiced by the assignee's failure.

THINGS ASSIGNEES MUST/MAY DO...

An assignee MUST/MAY:

- **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.
 - **There is a presumption of prejudice to insurer.** Assignee has the burden to demonstrate that the insurer is not prejudiced by the assignee's failure.
- **Must** perform work in accordance with accepted industry standards. (NO STANDARD PROVIDED BY STATUTE, IICRC S500, WRT, OSHA).
 - **No true penalty or consequence noted here. Where is the teeth?**
- **May not** seek payment from the assignor exceeding the deductible unless the assignor has chosen to have additional work performed at the assignor's expense.
 - Vendor cannot pursue the insured for any amount over the deductible; but can pursue the insured for the deductible and any betterments specifically agreed to before rescission.
- **As a condition to filing suit**, the vendor **must** submit to examinations under oath and recorded statements, but limited to matters related to services provided, cost of services, and the assignment agreement. (PRE-CONDITION TO SUIT)
 - The EUO request and RS request and basis for same, scope, and nature of the questions must be tailored.
- **As a condition to filing suit**, the vendor **must** participate in appraisal or other dispute resolution provided in the policy. (PRE-CONDITION TO SUIT)
 - Appraisal opens up the possibility of bad faith lawsuit. AOB vendor steps into the shoes of insured. Can possibly sue straight away after appraisal. Appraisal is not included in INSURANCE CARRIER's policy.
 - Can include a one-way mediation request from carrier, if OIR approves.

REQUIRED WRITTEN NOTICE OF INTENT TO SUE:

- An assignee must provide to
 - the named insured,
 - 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,
 - by certified mail return receipt requested, **or**
 - electronic delivery.
 - The notice *may not* be served before the insurer has made a determination of coverage under s. 627.70131.
- 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,
 - insurer, and
 - the assignor, if not the named insured, with:
 - 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.

CHEAT SHEET ON CONDITIONS PRECEDENT TO SUIT:

- 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.
- **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. _____ (carrier can incorporate a mandatory alternative dispute resolution tactic here for assignees, such as a one-way demand for DFS mediation).
- An assignee must provide to
 - the named insured,
 - 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 _____,
 - by _____ certified mail return receipt requested _____, **or**
 - electronic delivery _____
 - but **may not be served before the insurer has made a determination of coverage under s. 627.70131.**
 - 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, _____
 - insurer, and _____
 - the assignor, if not the named insured, with:
 - 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. _____

CHEAT SHEET ON TIMING IN AOB STATUTE:

Notice & Inspection		
Days	Business/Calendar	Responsibility
0 - 3	Business	Assignee to provide assignment agreement to Citizens or the date work begins, whichever is earlier.
1 - 7	Calendar	Citizens must inspect the damaged property or provide oral/written approval to begin repairs from FNOL
0 - 14	Calendar	Assignor to provide written notice to the assignee to rescind the agreement
0 - 30	Calendar	Assignor to provide written notice to the assignee if the agreement does not have a commencement date and the assignee has not begun substantial work on the property

Notice of Intent to File Suit		
Days	Business/Calendar	Responsibility
0 - 10	Business	Assignee must provide Citizens with a written notice of intent to initiate litigation before filing suit under the policy, but cannot be served prior to Citizens making a coverage determination.
0 - 10	Business	Citizens must respond in writing by making a presuit settlement offer or requiring the assignee to participate in appraisal from Notice of Intent.

PARAGRAPH (5) – MRP NOT AFFECTED BY THE STATUTE

- expressly provides that an assignment agreement and section 627.7152 does not modify or eliminate any term, condition, or defense relating to any managed repair arrangement provided in the policy.

PARAGRAPH (6) – AOB NOT PA - CANNOT
NEGOTIATE ON BEHALF OF INSURED

- Assignment agreement does not transfer or create authority to adjust, negotiate or settle any portion of the claim to a person or entity not authorized to adjust, negotiate or settle a claim under adjuster licensing provisions of the Insurance Code.

PARAGRAPH (7) – LIMITS ACTIONS AGAINST
INSUREDS:

1. The assignee and its subcontractors waive any claim against the assignor by entering into an assignment agreement except as provided in (b) - NOTED BELOW
 - a. Applies even if assignment is rescinded or invalid.

CLAIM AGAINST INSURED ALLOWED BY
ASSIGNEE IF:

1. A named insured is responsible for the payment of all of the following:
 - a. Deductible amount due under policy;
 - b. Any betterment ordered and performed that is approved by named insured;
 - c. Any contracted work performed before the assignment agreement is rescinded.

PARAGRAPH (8) – AOB COMPANIES CANNOT SUE INSURED WHEN POLICY LIMITS ASSIGNMENTS

- provides that the assignee shall indemnify and hold harmless the assignor from all liabilities if the policy prohibits or limits assignment of benefits. This relates to newly created Section 627.7153 (see Section 2 of the legislation) which will allow insurers to offer policies that limit or prohibit use of AOB, subject to certain conditions

ATTORNEYS' FEES:

- “One way” attorney fees do not apply in litigation between assignees and insurers.
- Instead, attorney fees are calculated by determining the difference between the assignee’s presuit demand and the insurer’s presuit offer.
 - This number is called the “disputed amount.”
 - Once the court reaches a decision, the difference between the judgment obtained and the presuit settlement offer is compared to the disputed amount.
 - If the difference between the judgment obtained by the assignee and the insurer’s presuit settlement offer is:
 - Less than 25 percent of the disputed amount, the insurer is entitled to an award of reasonable attorney fees.
 - At least 25 percent but less than 50 percent of the disputed amount, no party is entitled to an award of attorney fees.
 - At least 50 percent of the disputed amount, the assignee is entitled to an award of reasonable attorney fees.

- **EXAMPLE:**

Presuit settlement demand: \$3,000

Presuit settlement offer: \$1,000

Judgment Obtained: \$2,000

1. Find the difference between the presuit settlement demand and the presuit settlement offer in order to determine the “disputed amount” ($\$3,000 - \$1,000 = \$2,000$). Here, \$2,000 is the “disputed amount.”
2. Find the difference between the judgment obtained and the presuit settlement offer ($\$2,000 - \$1,000 = \$1,000$). Here, \$1,000 is the difference.
3. Answer the following: the difference between the judgment obtained and the presuit settlement offer (\$1,000) is what percentage of the disputed amount (\$2,000).

$$\text{Math equation: } \frac{1,000 \text{ (judgment obtained minus presuit offer)}}{2,000 \text{ (disputed amount)}} = 0.5 = \mathbf{50\%}$$

*In this example, Plaintiff would be entitled to attorney fees and costs.

- The bill provides that the only way an assignee can obtain attorney fees is pursuant to the provisions of this bill or under s. 57.105, F.S.43
- An insurer waives its right to attorney fees if the insurer fails to
 - inspect the property or provide authorization for repairs within 7 calendar days after the first notice of loss.
 - The insurer does not waive its right to fees if the failure to inspect the property or provide authorization for repairs is the result of:
 - An event for which the Governor had declared a state of emergency.
 - Factors beyond the control of the insurer which reasonably prevented an inspection or written or oral authorization for repairs.
 - The named insured's failure or inability to allow an inspection of the property after a request by the insurer.
 - Authorizes a court to award attorney fees to a respondent in a voluntarily dismissed action when an assignee brings an identical claim against the same respondent in another court.
- **BASED ON THE INTERPRETATION OF THE STATUTE AND HB 337, IT APPEARS THAT FEES/COSTS CAN BE CHALLENGED AS TO ASSIGNMENT OF BENEFITS SIGNED OR EXECUTED ON OR AFTER 5.24.19, NOT BEFORE. THE DEADLINE APPLIES TO THE DATE THE AOB WAS EXECUTED, NOT THE DATE THE LAWSUIT WAS FILED.**

INSURANCE CARRIER'S BURDENS/REQUIREMENTS:

- **TEN (10) BUSINESS DAYS TO RESPOND TO PRE-SUIT NOTICE OF INTENT TO SUE FROM AOB- DOES NOT INCLUDE SATURDAYS, SUNDAYS, OR PUBLIC HOLIDAYS (NOT CALENDAR DAYS)**
 - Insurer must respond in writing to presuit notice within 10 business days after receiving notice by
 - making a presuit settlement offer or
 - requiring appraisal or other method of dispute resolution.
 - Insurer must have procedure for prompt investigation, review and evaluation of the dispute and must investigate in accordance with Insurance Code
 - No teeth. There is no penalty for not adhering to this.

- **SEVEN (7) CALENDAR DAYS TO INSPECT PROPERTY FROM FNOL (or alternatively provide oral or written authorization for repairs) OR LOSE RIGHT TO FEES**
 - *NOT BUSINESS DAYS (INCLUDES SATURDAYS, SUNDAYS, PUBLIC HOLIDAYS- MIDNIGHT TO MIDNIGHT).*
 - The insurer waives its right to attorney fees if it fails to inspect the property within 7 calendar days after FNOL, unless there are factors beyond the control of the insurer, or prevention of inspection
 - Claim comes in December 24, 2019, MUST be inspected by December 31, 2019.
 - Exceptions:
 - Unless the insured fails or refuses to allow an inspection after our request for an inspection.
 - Recommendation - MUST document our request and insured's refusal or failure to respond. This must be documented in writing to insured and assignee as to why we cannot comply.
 - Unless a state of emergency is issued by Governor
 - Factors beyond control of the insurance company, which reasonably prevented an inspection or oral or written authorization for repairs (i.e., cannot allow for repairs because no coverage decision, cannot allow for repairs

because insured would not allow inspection, cannot inspect because IA had accident en route to inspection, etc.)

- Subsection (12) requires insurers to report AOB claims data to OIR by January 30, 2022 and each year after.

- The Financial Services Commission/OIR must adopt a rule to specify the data required (forthcoming)
 - 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

**627.7153- CREATION OF NEW STATUTE- POLICIES RESTRICTING
AOB - MORE BURDENS ON INSURANCE COMPANY**

SECTION (2) provides that an insurer **may** make available a policy that restricts in whole or in part an insured's right to execute an assignment agreement only if all of the following conditions are met:

1. Insurer must make available to the insured or potential insured at the same time the same coverage under a policy that does not restrict right to execute assignment agreement
2. Insurer must offer each restricted policy at a lower cost than the unrestricted policy
3. Policy prohibiting assignment in whole is available at lower cost than any policy prohibiting assignment in part
4. Include specified notice language in 18-point uppercase and boldface type
THIS POLICY DOES NOT ALLOW THE UNRESTRICTED ASSIGNMENT OF POST-LOSS INSURANCE BENEFITS. BY SELECTING THIS POLICY, YOU WAIVE YOUR RIGHT TO FREELY ASSIGN OR TRANSFER THE POST-LOSS PROPERTY INSURANCE BENEFITS AVAILABLE
UNDER THIS POLICY TO A THIRD PARTY OR TO OTHERWISE FREELY ENTER INTO AN ASSIGNMENT AGREEMENT AS THE TERM IS DEFINED IN SECTION 627.7152 OF THE FLORIDA STATUTES.
5. Insurer to notify the insured at least annually of the coverage options available under this section.
6. Such notice must be part of and attached to the notice of premium.
7. The named insured must reject a fully assignable policy in writing or electronically via a form approved by the office. Certain notice language specified in this subsection.
8. Section 627.7153 applies to a policy issued or renewed on or after July 1, 2019.

OTHER NOTES FOR INSURANCE CARRIER:

- Keep in mind that OIR released a statement on June 14, 2019 that no form or rate filing is required to comply with the new assignment agreement provision in the bill because they do not relate to the terms of any insurance policy.
- INSURANCE CARRIER can choose to notify policyholders of the Assignment Agreement Provisions WITHOUT filing a notice with the OIR.
- CPIC has not decided whether to utilize the AOB restriction options. Issues are all related to how to price the restricted policies.
- CPIC has already issued notice that their rates increase will decrease from 25.2% to 7.2%
- If INSURANCE CARRIER chooses to modify the policy forms to provide a designated location for the receipt of the assignment agreements, then the policy form needs to be submitted and approved.
- Rate changes need to be made with OIR, as usual.
- Data call will be set with OIR in February 2020 to determine effects of the bill.
- Communication with agent is the key to getting the word out there about the changes, especially the consumer protections.
- HB 301 was also signed into law and allows double the reimbursement rate INSURANCE CARRIER can receive from Florida Hurricane Catastrophe Fund. Under this Bill, INSURANCE CARRIER's loss reimbursement covered by FHCF would increase from 5% to 10% for losses on contracts effective after June 1, 2019. This may also lower premiums for policyholders.

WHAT ARE INDUSTRY STANDARDS?

IICRC- The IICRC Standards serve to develop common, industry-accepted language and terminology that enables us to more universally discuss concepts and procedures regarding cleaning, inspection and restoration. The IICRC is an American National Standards Institute (ANSI) member and accredited standards developer. ANSI is responsible for overseeing the development of national consensus standards and verifying that the requirements for due process, consensus, and other criteria for approval have been met by the standard's developer. The use of an American National Standard (ANS) is completely voluntary. However, some have been adopted as code or regulation by local, state or federal authorities. They are also considered "state of the art" in the area of contamination control.

Summary of industry standards per IICRC:

To begin extracting a formula from the Standard, we must first define "class of water." Not to be confused with "category of water," which have to do with whether the water is contaminated or not (e.g., Category 1 water originates from a clean water source; Category 2 water has some level of contamination and 3 is contaminated.) The term "class of water" is not new; the IICRC-approved Applied Structural Drying (ASD) courses have been describing four classes of water for some time. However, the term is new to the S500. It is the "initial amount of water and the likely or anticipated rate of evaporation based upon the quantity and type of wet materials in the affected space." The four classes of water are:

- Class 1 (least amount of water, absorption and evaporation): Water losses that affect only part of a room or area, or larger areas containing materials that have absorbed minimal moisture. Little or no wet carpet and/or cushion is present.
- Class 2 (large amount of water, absorption and evaporation): Water losses that affect at least an entire room of carpet and cushion (pad). Water has wicked up walls less than 24 inches. There is moisture remaining in structural materials (e.g., plywood, particle board, structural wood, VCT, concrete, substructure soil).
- Class 3 (greatest amount of water, absorption and evaporation): Water may have come from overhead. Ceilings, walls, insulation, carpet, cushion and subfloor in virtually the entire area are saturated.

- **Class 4 (Specialty drying situations):** These consist of wet materials with very low permeance/porosity (e.g., hardwood, plaster, brick, concrete, light weight concrete and stone). These types of losses may require longer drying times and special methods.

Further definitions of classes of water damage:

- **Class 1:** Where a minimal amount of water has flowed onto materials that are predominately low porosity. This class of water damage requires limited mitigation and little moisture is left after the bulk of the water is removed, leaving a minimal amount of evaporation needed to finish drying. Examples would be a burst hot water tank on a sealed concrete floor or an overflowed toilet on a tile floor.
- **Class 2:** Where there is a significant amount of water discharged and the exposed materials are medium to high porosity. There is a greater absorption of water into the materials and the water damage process is lengthened by the volume of water that needs to be removed and a lengthened drying time. Examples would be a ruptured pressurized water line inside a gypsum board wall, or a wooden floor joist system.
- **Class 3:** Where a large amount of water, regardless of its category, is absorbed by highly porous materials, resulting in the highest rate of evaporation necessary to affect the water damage restoration process. Examples are a storm-forced leak, which floods a building's interior and soaks carpeted areas, or broken water mains filling an underground parking area.
- **Class 4:** Where water intrudes and is trapped by building materials and assemblies, which makes the restoration process difficult, time-consuming and expensive. Affected areas are highly porous or tightly confined and require special methods and equipment, longer drying time or substantial vapor pressure differentials. Examples would be stormwater flooding of wooden, plaster, masonry or concrete enclosures or a severe sewage backup that permeates floor and wall systems.

The next step is to perform an inspection and develop a preliminary determination as to the category of water. Let's assume for the purpose of this discussion that the preliminary determination is that the category of water is "1." As part of the inspection we would also want to establish our drying goal. In the S500, a distinction is made between a "dry standard" and a "drying goal." The dry standard is

determined by taking moisture content (MC) readings from known dry materials in an undamaged area of structure (sometimes referred to as normal EMC). From the dry standard you can then establish your drying goal. The drying goal is a target moisture level that may be the same as the dry standard or within an acceptable proximity of the dry standard. For example, at Section 12.4.1.5 it states: "...then properly dry exposed wood framing to within four percentage points of normal EMC. At a minimum, wood framing materials should be below 16% MC before installing new drywall."

In order for drying to take place expeditiously, "It is recommended that consideration be given to whether demolishing or removing structural materials is appropriate in setting up the initial drying system...Unrestorable structural components should be removed. In some cases the materials may not be damaged but their presence can slow down the drying process. (e.g., wallpaper over wet drywall, cabinets that cover wet drywall, carpet and pad over wood flooring)."

Now that the excess water has been extracted, the un-restorable materials removed and the impediments to drying addressed, it is time to start setting up the equipment. We have already determined that the damage is from Category 1 water and that we are going to use a closed drying system (i.e., not using outside air) and dehumidification. The most common class of water damage is Class 2. So therefore we will use that in our example. Finally we will assume that there are no other pre-existing conditions. If there was contamination present, the drying environment would require further modification.

Controlling Airflow to Accelerate Evaporation - Initial Air Mover Use

Air moving devices have been traditionally used to move air across a wet surface, accelerating evaporation. There are a variety of air movers and fans (centrifugal, axial) designed for this purpose. Recently, heat-generating devices have also been used to promote evaporation.

Restorers should install one air mover for each 10 to 16 linear feet of wall, with the outlet of each air mover pointing in the same direction. With the air mover almost touching the wall, restorers should aim its outlet at the wall at a 15-to-45-degree angle, depending on the device. In addition, restorers should consider installing at least one air mover for each small bathroom, closet or other offset or inset.

Example: in a 12-by-12-foot room (48 linear feet of wall space), it may be appropriate to use from 4 to 5 air movers, depending on response time; the materials present and their porosity; atmospheric conditions; technician judgment and other

factors. While the S500 does not specifically make the following statement, it is a generally accepted practice to use one air mover per wall.

Air-moving devices inherently tend to aerosolize soils and contaminants. Restorers can install one or more air filtration devices, or AFDs, as air scrubbers, depending on the AFD's size and obstructions within the structure. AFDs provide additional airflow, while simultaneously removing aerosolized soils or contaminants from the air within a room.

As air moves across a wet surface, evaporation of moisture into a drier air mass occurs. As this air becomes more humid, evaporation (drying) slows and secondary damage becomes a concern. To maintain rapid drying and prevent secondary damage, it is necessary to remove the added moisture from the interior air space.

Determining Initial Dehumidifier Requirements

Dehumidification is the removal of moisture from the air. Initially, effective drying of structural materials requires that air in a structure should be exchanged based on the dehumidifier's ability to remove a specific number of pints per day. On-going equipment use is based on psychrometric calculations to verify adequate and safe drying (**Chart 1**).

Calculate the cubic footage of the room or area to be dried. For example:

$$30' \times 50' = 1500 \text{ sf} \times 8' = 12,000$$

$$\text{cf } 12,000 \text{ cf divided by } 50 \text{ (LGR/Class 2)} = 240 \text{ pints at AHAM}$$

$$\text{If you are using LGRs rated at } 65 \text{ pints} = 4$$

$$\text{If you are using LGRs rated at } 140 \text{ pints} = 2$$

When to Use Structural Cavity Drying Systems

Structural cavity drying systems are specialized air-moving devices and systems that are designed to move air through wall and ceiling cavities, other interstitial spaces and underneath flooring. They can be used to positively or negatively pressurize these spaces. The information contained in the S500 with respect to the amount of equipment needed is not as clearly defined. **Table 1** has been provided to assist you in determining when and where the S500 discusses the use of these systems.

Finally we need to keep in mind that dry air is used only as a tool to dry the structure and the contents. To ensure that the drying environment is functioning adequately, we need to monitor the effectiveness of the drying on the materials of concern (i.e., the structure and the contents).

Monitoring

The damaged structure should be monitored at least daily starting with the initial loss assessment and evaluation and continuing throughout the restoration process. Technicians should establish a moisture content or drying goal for affected building materials and contents items.

Monitoring procedures may include, but are not necessarily limited to, temperature and humidity readings, updating progress reports and checking the moisture content of structural wood and other materials with a moisture meter. When applicable, monitoring also must include checking equipment operation, work progress and indoor environmental quality.

Normally, psychrometric conditions and MC measurements should be recorded at least daily. Relevant moisture measurements include temperature and relative humidity both inside and outside of affected and unaffected areas, and at dehumidifier outlets. Section 12.1.25 of the Standard states that, “If moisture measurements do not confirm satisfactory drying, restorers should adjust drying procedures and equipment placement, or possibly add or change equipment to increase drying capability.”

SUMMARY OF BILL

- Gives the insured 14 days to rescind the assignment.
- Gives the insured 30 days to rescind the assignment if the assignee has not begun substantial work during that 30 days.
- Requires the assignee to provide a copy of the AOB to the insurance company within 3 days.
- Limits AOBs to \$3,000 or 1 percent of Coverage A during emergency situations.
- Prohibits assignees from charging mortgage processing or rescission fees to the insured.
- Limits the ability of assignees to collect payment from insureds.
- Requires insurers to report information about assignments to the Office of Insurance Regulation.
- Provides that Citizens Property Insurance Corporation cannot implement rate changes unless the rate filing reflects projected savings from the bill.
- “One way” attorney fees do not apply in litigation between assignees and insurers. Instead, attorney fees are calculated by determining the difference between the assignee’s presuit demand and the insurer’s presuit offer. This number is called the “disputed amount.” Once the court reaches a decision, the judgment obtained is compared to the disputed amount. If the difference between the judgment obtained by the assignee and the insurer’s presuit settlement offer is:
 - Less than 25 percent of the disputed amount, the insurer is entitled to an award of reasonable attorney fees.
 - At least 25 percent but less than 50 percent of the disputed amount, no party is entitled to an award of attorney fees.
 - At least 50 percent of the disputed amount, the assignee is entitled to an award of reasonable attorney fees. The bill provides that the only way an assignee can obtain attorney fees is pursuant to the provisions of the bill or under s. 57.105, F.S.43
- An insurer waives its right to attorney fees if the insurer fails to inspect the property or provide authorization for repairs within 7 calendar days after the first notice of loss.
- The insurer does not waive its right to fees if the failure to inspect the property or provide authorization for repairs is the result of:
 - An event for which the Governor had declared a state of emergency.
 - Factors beyond the control of the insurer which reasonably prevented an inspection or written or oral authorization for repairs.
 - The named insured's failure or

inability to allow an inspection of the property after a request by the insurer, the insurer does not waive its right to an award of attorney fees.