

Statute of Limitations

Presented by: Lauri A. Goldman, Senior Attorney



What is a Statute of Limitations?

A statute of limitations is a law enacted by the state legislature which places a deadline for filing a lawsuit for damages or other relief for wrongful acts.

What is the Purpose for having a Statute of Limitations?

To provide fairness to the individual or entity being sued by requiring an action be brought within a specified period of time which has been determined to be before witnesses or evidence are no longer available and before memory of the event fades.



Statutes of Limitations Vary:

By State

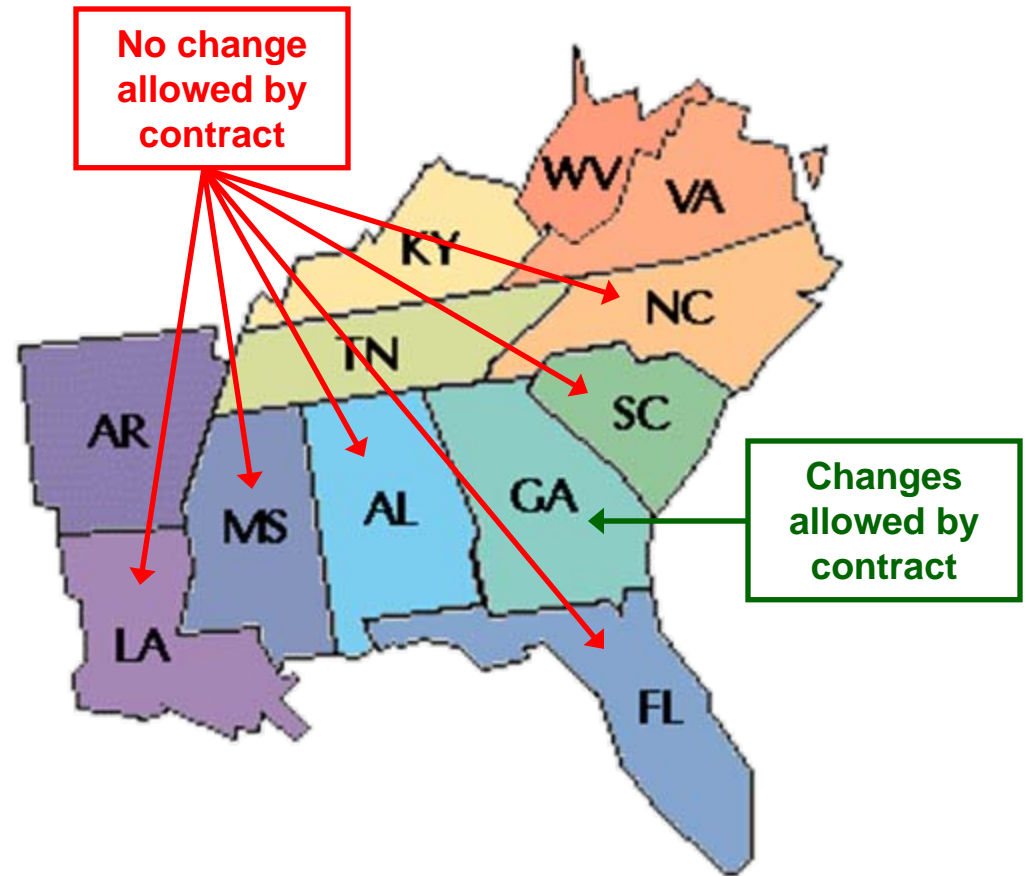
By Length of Time

By Type of Claim



Examples in Southeastern Coastal States:

Alabama – 6 years
Florida – 5 years
Georgia – 6 years
Louisiana – 1 year
Mississippi – 3 years
North Carolina – 3 years
South Carolina – 3 years
Virginia – 2 years



Questions to Consider :

- **What are the identified concerns ?**
- **What Legislative actions have occurred that address the concerns?**
- **What options exist to amend the statute of limitations?**
- **Who is potentially helped by this change?**
- **Who is potentially harmed by this change?**
- **Does changing the statute of limitations address the underlying cause of the identified concerns?**

What are the Identified Concerns ?

- The timeliness of claim settlement
- The reopening of claims
- The involvement of public adjusters, attorneys and appraisers in the claim settlement process

What Legislative Actions Have Occurred that Address the Concerns?

- Related to Required Timely Claims Settlement
- Related to the Policy Information Provided to Consumers
- Related to Public Adjusters

What Options Exist to Amend the Statute of Limitations?

- Amend 95.03, F.S., to permit insurance contracts, in particular homeowner insurance contracts, to negotiate a shorter limitations period. However, it is important to realize that this prohibition has existed in law since 1913.
- Amend 95.11, F.S., to establish a new limitations period for homeowner insurance contracts. However, in the past, when Section 95.11, F.S. has been amended to make an exception for a particular type of claim, the amendment cites to another statute section that then specifies the varied time limitations.

Who is Potentially Helped by Allowing Contractual Modification?

➤ Insurance Carriers:

- Freedom to offer lower statute of limitations

➤ Attorneys, Public Adjusters and Appraisers:

- Possible additional clients seeking assistance

Who is Potentially Harmed by Allowing Contractual Modification?

- Insurance Carriers:
 - Required to address additional lawsuits
- Policyholders:
 - Confusion with their rights
 - Lack of continuity among insurance policies
- Attorneys/Adjusters:
 - Required closer scrutiny of policy

Who is Potentially Helped by Reducing the Statute of Limitations?

➤ Insurance Carriers:

- Shorter exposure to the filing of lawsuits
- Possibly less claim dollars paid out (but the reverse could also unfold)

➤ Attorneys, Public Adjusters, Appraisers:

- Possible greater use of their services at an earlier time in the process

Who is Potentially Harmed by Reducing the Statute of Limitations?

➤ Policyholders:

- Less time to determine that filing a lawsuit is the only method to obtain additional payment for their claim
- Incur additional costs related to the hiring of a third party to intervene on their behalf
- Limits time to determine if supplemental payment is needed

➤ Attorney, Adjusters:

- Less time to negotiate settlement before filing lawsuit

➤ Insurance Carriers:

- Required to address additional lawsuits
- Possible greater attorney fees

Does Changing the Statute of Limitations Address the Underlying Cause of the Identified Concerns?

- **Does Reducing the Statute of Limitations Address the Issue of Claim Delays as a Result of the Intervention of Public Adjusters, Attorneys or Appraisers?**

The statute of limitations is a statutory timeline for pursuing damages related to an alleged breach of the contract. It will not directly address the actions of the public adjusters, attorneys or appraisers.

Does a Change in the Statute of Limitations Address the Timeliness of Claim Settlement?

- **As previously stated, the statute of limitations is a statutory timeline for pursuing damages related to an alleged breach of the contract. It will not directly address the timeliness of claim settlement. The statute of limitations only comes into play after a claim or part of a claim is denied and the insured believes that the insurer has breached the insurance contract.**

Does a Change in the Statute of Limitations Address the Primary Concerns About Reopened, Amended or Supplemental Claims?

As indicated by the changes to laws affecting claims settlement, many of the issues giving rise to the disputes appear to have been addressed by the legislature. Since the State has not been hit by any hurricanes since enactment of these laws, the effectiveness of these changes has not yet been determined. However, the changes were certainly intended to decrease the number of disputes and increase timely settlement of claims.

