

FORMAL COMPLAINT - UNFAIR CLAIMS PRACTICES

Date: March 15, 2024

Via Online Portal and Certified Mail #7023 1234 5678 9012 3456

Florida Department of Financial Services
Division of Consumer Services
200 East Gaines Street
Tallahassee, FL 32399

Re: FORMAL COMPLAINT - UNFAIR CLAIMS PRACTICES

Carrier: Sunshine State Insurance Company
Policy #: HSO-2023-784512
Claim #: WD-2024-001923
NAIC #: 12345
Complaint Type: Bad Faith Claims Handling / Unfair Settlement Practices
Priority: URGENT - Ongoing Damages

EXECUTIVE SUMMARY

Sunshine State Insurance Company has systematically violated Florida insurance laws in handling my property damage claim, resulting in \$67,500 in unpaid benefits and \$24,300 in consequential damages. This complaint documents 12 specific violations requiring immediate regulatory intervention.

COMPLAINANT INFORMATION

Primary Insured:
Name: Robert and Sarah Johnson
Address: 4523 Palm Beach Drive, Orlando, FL 32801
Phone: (407) 555-0123 | (407) 555-0124
Email: rsjohnson2024@email.com
Policy Number: HSO-2023-784512
Policy Period: 01/01/2024 to 01/01/2025
Premium Paid: \$2,856 (current on all payments)
Claims History: 1 prior claim in past 5 years (2020 - resolved satisfactorily)

Carrier Information:
Insurer: Sunshine State Insurance Company, Inc.
NAIC #: 12345

State License #: FL-INS-2001-4578

A.M. Best Rating: A-

Claim Personnel:

Initial Adjuster: Michael Torres, License #FL-ADJ-45789

Current Adjuster: Jennifer Walsh, License #FL-ADJ-78234

Supervisor: David Chen, Title: Claims Manager

Examined by: ABC Engineering, License #FL-ENG-3456

LOSS INFORMATION

Loss Details:

Date of Loss: January 15, 2024

Time Reported: January 15, 2024, 3:45 PM EST

Cause of Loss: Sudden plumbing system failure

Location: 4523 Palm Beach Drive, Orlando, FL 32801

Initial Reserve: \$75,000 (per internal source)

Financial Impact:

Total Documented Damages: \$92,500

Amount Paid to Date: \$25,000

Amount in Dispute: \$67,500

Consequential Damages: \$24,300

Interest Owed: \$3,247

DETAILED VIOLATIONS ALLEGED

1. UNFAIR CLAIMS SETTLEMENT PRACTICES ACT VIOLATIONS

Florida Statutes § 626.9541 / NAIC Model Act Section 4

(a) Misrepresenting Policy Provisions

Specific Violations:

Incident 1: On February 10, 2024, adjuster Michael Torres claimed the policy excludes water damage from plumbing failures.

Truth: Policy page 23, Section II.A.2 specifically covers "sudden and accidental discharge from plumbing systems"

Evidence: Email dated February 10, 2024 stating false exclusion (Attachment A)

Impact: Delayed repairs causing additional damage of \$8,500

Incident 2: Carrier misquoted deductible as \$5,000 when policy states \$1,000

Documentation: Written correspondence dated February 22, 2024 (Attachment B)

Correction: Never acknowledged despite three written notices

Pattern Evidence: Similar misrepresentations in cases:

- Smith v. Sunshine State, Case #2023-CV-4567 - same false exclusion claimed
- DOI Complaint #FL-2023-8901 - identical misrepresentation documented

(b) Failing to Acknowledge Communications

Timeline of Ignored Communications:

Date	Type	Subject	Proof of Delivery	Response
02/28/24	Certified Letter	Supplemental claim	USPS #7023 1234 5678	None
03/05/24	Email	Additional damage	Read receipt	None
03/12/24	Fax	Expert report	Confirmation page	None
03/18/24	Portal Upload	Estimates	System confirmation	None

Statutory Requirement: Florida requires acknowledgment within 14 days

Violation Period: Now 96 days without acknowledgment

(c) Failing to Adopt Reasonable Standards

Evidence of No Consistent Standards:

1. Changing Positions:

- 01/20/24: "Claim covered pending investigation"
- 02/10/24: "Partial coverage only"
- 02/28/24: "Claim denied"
- 03/15/24: "Partial payment offered"

2. Inconsistent Methodologies:

- Used Xactimate for initial estimate
- Rejected Xactimate for supplement
- Demanded different pricing method
- No written standards provided despite request

3. Departure from Industry Norms:

- Industry standard: Accept 3 estimates

- Carrier requirement: 5+ estimates demanded
- Industry standard: 10/10 overhead and profit
- Carrier position: Refusing O&P entirely

(d) Refusing to Pay Without Reasonable Investigation

Inadequate Investigation Documented:

- Inspection Time: 15 minutes for 3,500 sq ft property
- Areas Not Inspected: Attic, crawlspace, interior walls
- Testing Not Performed: Moisture readings, thermal imaging
- Experts Not Consulted: No structural engineer despite foundation issues
- Documents Ignored: Three professional estimates dismissed without review

Industry Standard Investigation (Per IICRC S500):

- Minimum 2-4 hours for similar loss
- Moisture mapping required
- Photo documentation of all areas
- Expert consultation for structural issues

(e) Failing to Affirm or Deny Within Reasonable Time

Statutory Timelines Violated:

Requirement	State Deadline	Actual Days	Violation
Acknowledge claim	14 days	23 days	9 days late
Request information	30 days	45 days	15 days late
Affirm or deny	90 days	Still pending (60 days)	Ongoing

Damages from Delay:

- Additional water damage: \$8,500
- Mold growth requiring remediation: \$7,200
- Temporary housing costs: \$8,600

(f) Not Attempting Good Faith Settlement

Evidence of Bad Faith Negotiation:

1. Take-It-Or-Leave-It Approach:

- Offer: \$25,000
- Documented damages: \$92,500
- No negotiation permitted per adjuster email 03/01/24

2. Ignoring Supporting Documentation:

- Three licensed contractor estimates: \$89,000-\$94,000
- Carrier's position: "Excessive" without explanation
- Counter-estimates: Never provided

3. Refusing Appraisal Process:

- Formal demand made: 03/10/24
- Carrier response: Ignored
- Policy requirement: Mandatory appraisal provision

2. PROMPT PAYMENT VIOLATIONS

Florida Statute §627.70131

- Initial Acknowledgment: 14 days (violated by 9 days)
- Coverage Decision: 90 days (violated - ongoing)
- Interest: 12% from date of loss
- Bad Faith Multiplier: Up to 3x damages

3. DECEPTIVE PRACTICES

Florida Consumer Protection Act Violations

Documented Deceptions:

1. False Statements About Coverage:

- Stated: "Mold never covered"
- Truth: Policy covers mold from covered water damage
- Evidence: Policy endorsement FL-32-10

2. Misrepresenting Claim Status:

- Told mortgage company: "Claim closed"
- Told insured: "Under investigation"
- Truth: No activity for 45 days

DETAILED CHRONOLOGY OF EVENTS

Date	Event	Documentation	Impact
01/15/24	Water pipe burst	Photos, plumber invoice	\$92,500 damage
01/15/24	Claim reported	Claim #WD-2024-001923	Clock starts
01/16/24	Emergency mitigation	ServicePro invoice	\$5,500 spent
01/25/24	Adjuster inspection	15 minutes onsite	Inadequate
02/01/24	Estimate requested	Email confirmation	30 days elapsed
02/15/24	Estimates provided	3 contractors	\$89k-\$94k
02/28/24	Partial payment	\$25,000 check	Admitted coverage
03/10/24	Appraisal demanded	Certified mail	Ignored
Today	60 days elapsed	Complaint filed	Ongoing damage

PATTERN OF CONDUCT EVIDENCE

Similar Complaints Against Sunshine State Insurance:

- Better Business Bureau:**
 - 234 complaints in past 3 years
 - Pattern: "Failure to pay claims"
 - Average resolution time: 5+ months
- State DOI Database:**
 - 89 complaints in Florida (2023)
 - 112 complaints in Florida (2024 YTD)
 - Top category: "Claim handling delays"
- Court Cases:**
 - Martinez v. Sunshine State, No. 23-CV-7890: Bad faith verdict \$1.8M
 - Williams v. Sunshine State: Punitive damages for similar conduct

DAMAGES INCURRED

Economic Damages (Documented)

Category	Amount	Documentation
Unpaid claim	\$67,500	Estimates, invoices
Additional damage	\$8,500	Engineer report
Temporary housing	\$8,600	Rental receipts
Storage costs	\$1,200	Monthly invoices
Expert fees	\$2,500	Expert invoices
Lost wages	\$3,500	Employer letter
Credit damage	\$700	Credit reports
Total Economic:	\$92,500	

Non-Economic Damages:

- Emotional Distress: Severe anxiety requiring treatment
- Medical Costs: \$2,200 in therapy and medication
- Family Impact: Strain on marriage, children's disruption
- Loss of Home Use: 2 months displacement

SPECIFIC RELIEF REQUESTED

Immediate Actions Needed:

1. Emergency Order requiring payment within 72 hours
2. Investigation of systemic violations
3. Payment Order for:
 - Principal claim: \$67,500
 - Interest: \$3,247
 - Penalties: Per statute

Regulatory Actions Requested:

1. Market Conduct Examination of Sunshine State's claim practices
2. Pattern Analysis of similar complaints
3. Enforcement Action:
 - Fines for violations
 - License review consideration
 - Consent order requiring reforms

4. Public Disclosure of violation findings
5. Restitution Program for similarly situated insureds

AUTHORIZATION AND AVAILABILITY

Consent to Investigate I authorize the Department to:

- Obtain complete claim file from carrier
- Access all internal communications
- Interview all parties involved
- Share information with other agencies
- Take all necessary enforcement action

Availability for Proceedings I am available to:

- Provide additional documentation
- Testify at hearings
- Participate in mediation
- Assist other consumers

Contact Availability:

- Best phone times: Weekdays 9 AM - 6 PM, Weekends anytime
- Email response: Within 24 hours
- In-person meetings: With 48 hours notice

DECLARATION UNDER PENALTY OF PERJURY

I declare under penalty of perjury under the laws of Florida that:

1. All statements herein are true and correct
2. All documents attached are authentic
3. No material facts have been omitted
4. I am the policyholder

Signature: _____

Printed Name: Robert Johnson

Date: March 15, 2024

ADDITIONAL COMMENTS

The systematic nature of these violations suggests Sunshine State Insurance is engaged in deliberate bad faith practices affecting numerous policyholders. This is not an isolated incident but part of a pattern requiring immediate regulatory intervention. Every day of delay causes additional harm to consumers.

I request expedited review given:

- Ongoing property damage
- Financial hardship created
- Pattern of violations evident
- Public interest in enforcement

cc:

- Sunshine State Insurance - Legal Department
- Florida Attorney General - Consumer Protection Division
- National Association of Insurance Commissioners
- Johnson & Associates Law Firm
- File