

# VOTE NO ON SB 554

## Why vote NO on SB 554?

Florida has enacted significant reforms over the past few years designed to reduce frivolous and unnecessary insurance litigation—litigation that was largely driven by the promise of statutory, “one-way” attorney fees recoverable only by insureds and their assigns—and to make Florida’s insurance market more attractive to insurers. SB 554 appears designed to undo those reforms.

For decades, Florida’s one-way attorney fee statutes essentially made insurance policy breach litigation risk-free for plaintiffs. Because these fee-shifting statutes were one-way they incentivized plaintiffs to bring suit, even over low-dollar disputes. This resulted in a perpetration of low severity damage claims driving recovery of high plaintiffs’ attorney fees, costing insurers and Florida taxpayers billions of dollars per year. The Legislature repealed these statutes in their entirety in 2023 through HB 837.

SB 554 proposes to unravel much of the good work done by the Legislature in the past few years to reduce unnecessary insurance litigation. The goals of those prior reforms were to make the insurance market more predictable and attractive for property insurers to move into Florida.

**SB 554 would reinstate one-way attorney fees and incentivize litigation.**

The legislation would recreate a scheme by which claimants may recover their attorney fees in most insurance disputes.

**SB 554 would impose onerous new burdens on insurers.**

The legislation threatens to make Florida’s insurance market even less hospitable for insurers with mandated disclosures from nearly every individual involved with an insurer and circumstances that make insurers look worse to juries in the courtroom.

**SB 554 would needlessly increase the statutory judgment interest rate.**

The law already reflects the reality that a party holding a judgment is losing the time-value of their judgment for however long that judgment is not paid, and thus fairly and reasonably requires an increased amount to be paid on that judgment based on federally-determined rates plus an additional 4 percent.

This legislation threatens to end previous reforms before they have the chance to achieve real and long-lasting success.

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Questions? Reach out to William  
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