

**IN THE CIRCUIT COURT OF THE ELEVENTH JUDICIAL CIRCUIT
IN AND FOR MIAMI-DADE COUNTY, FLORIDA**

FLORIDA ASSOCIATION OF PUBLIC
INSURANCE ADJUSTERS, INC. and
NATIONAL ASSOCIATION OF PUBLIC
INSURANCE ADJUSTERS, INC.,

CASE NO.:

COMPLEX BUSINESS DIVISION

Plaintiffs,

v.

VELOCITY RISK UNDERWRITERS, LLC,

Defendant.

_____ /

COMPLAINT

Plaintiffs Florida Association of Public Insurance Adjusters, Inc. (“FAPIA”) and National Association of Public Insurance Adjusters, Inc. (“NAPIA”) (“Plaintiffs”) bring this action against Defendant Velocity Risk Underwriters, LLC (“Velocity” or “Defendant”) and allege:

NATURE OF ACTION

1. Defendant uses an “Anti-Public Adjuster Endorsement” in its insurance policies to prevent Florida policyholders from hiring a licensed professional Public Adjuster to help them investigate, estimate, present and process an insurance claim after their covered property is damaged.

2. If a policyholder nonetheless retains a licensed professional Public Adjuster, Defendant refuses to deal with the Public Adjuster, refuses to process the policyholder’s claim, and threatens to forfeit the policyholder’s coverage. Unsurprisingly, policyholders capitulate.

3. The Anti-Public Adjuster Endorsement (also referred to in this Complaint as the “Endorsement”) thus prevents insureds and Public Adjusters from entering into contracts that are authorized by law for preparation and presentation of first-party property claims, undermining a

legitimate profession recognized by statute and licensed and regulated by the State of Florida. This lawsuit seeks a declaration that the anti-consumer, anti-competitive, unfair and deceptive Anti-Public Adjuster Endorsement is a violation of the Florida Deceptive and Unfair Trade Practices Act, §§ 501.201 *et seq.*, Fla. Stat., and that Defendant be enjoined from its use in the State of Florida.

4. Furthermore, as alleged below, Defendant – acting in concert with out-of-State insurers for whom it serves as managing general agent (or “MGA”) in the Florida surplus lines property insurance market – has conspired and agreed to exclude licensed Public Adjusters from competing with adjusters beholden to Defendant. This lawsuit therefore also seeks a declaration that the agreement between the Defendant and its out-of-State insurer co-conspirators constitutes an unlawful restraint of trade in violation of the Florida Antitrust Act, § 542.18, Fla. Stat., and an injunction prohibiting Defendant from enforcing, entering into, using, or requiring such an agreement in the State of Florida.

5. The Anti-Public Adjuster Endorsement is also unenforceable because it is void as against Florida public policy and purports to condition coverage upon post-loss conduct that does not, as a matter of law, prejudice Defendant or its subscribing insurers. Plaintiffs thus request a declaration that the Anti-Public Adjuster Endorsement is unenforceable under Florida common law and that Defendant cannot decline or restrict policyholders’ coverage because they hired a Public Adjuster.

BACKGROUND

6. Defendant Velocity represents surplus lines property and casualty insurers – *i.e.*, carriers that offer insurance policies to Florida consumers under policies unregulated as to form or rate. When surplus lines policyholders sustain losses, such as after a hurricane, they often need an insurance adjuster in their corner to assist in preparing and processing their claim for coverage and payment of

the loss. Among other reasons, most policyholders have little experience navigating the insurance claims process and estimating the value of property losses.

7. There are basically two kinds of insurance adjusters. One is an adjuster who is employed by the insurer or by a firm that provides services only to insurers. Such an adjuster is beholden or captive to the insurer and is referred to in this Complaint as the “Insurer’s Adjuster.” Insurer’s Adjusters are prohibited from acting as Public Adjusters. *See* § 626.864, Fla. Stat.

8. The other kind of adjuster is a Public Adjuster. A Public Adjuster is not employed by or an agent of or beholden to an insurer. Rather, the Public Adjuster is hired by and represents exclusively the interests of the policyholder in negotiating for or effecting the settlement of a claim for loss or damages covered by an insurance policy in exchange for compensation. *See* § 626.854(1), Fla. Stat.

9. The public adjusting profession has been recognized by and regulated under Florida law for more than seventy years. *See* § 636.011(5), Fla. Stat. (1953); *Larson v. Lesser*, 106 So. 2d 188 (Fla. 1958). A Florida Public Adjuster must be licensed and is subject to statutory and regulatory standards, including, but not limited to: restrictions on the form and content of the adjuster’s agreement with an insured; requirements for communications with the insured and the insurer; a bond requirement; restrictions on the time and manner of solicitation; and comprehensive ethical obligations. *See generally* § 626.851, Fla. Stat. *et seq.* and F.A.C. §§ 69B-220.051, 69B-220.201.

10. Plaintiffs FAPIA and NAPIA represent the interests of the hundreds of Florida-licensed Public Adjusters who are among their members.

11. Florida’s Public Adjusters compete with Insurer’s Adjusters in adjusting losses covered by surplus lines insurance policies such as those sold by Velocity. To be clear, this competition is not over who will represent the policyholder – the only adjuster permitted to work on behalf of an

insured is a Public Adjuster. Rather, Public Adjusters on the one hand, and Insurer's Adjusters on the other, compete to investigate, estimate, present and process property insurance losses for purposes of setting claim values. Available data shows that Florida insureds represented by Public Adjusters are generally reimbursed more completely on their claims. *See, e.g.*, Florida Office of Program Policy Analysis & Government Accountability ("OPPAGA") Report No. 10-06 (Jan. 2010), at p. 7-8. Indeed, Velocity admits that it derives tremendous benefit from the use of the Endorsement.

12. Defendant, as MGA for out-of-State insurers underwriting risks in the Florida surplus lines property insurance market, acts together with its insurer co-conspirators to bar licensed Public Adjusters from offering competitive claims adjusting services. They (Defendant and its co-conspirators) advance this anti-competitive objective by adding an "Anti-Public Adjuster Endorsement" to their policies. By doing so, Velocity and its co-conspirators disadvantage their insureds by foreclosing their consultation with the very professionals whom the State of Florida has recognized and licensed to assist them.

13. An example of Velocity's Anti-Public Adjuster Endorsement reads as follows:

It is understood and agreed that a condition of this **POLICY** is that the **NAMED INSURED** shall not hire, engage, retain, contract with, or otherwise utilize the services of a public adjuster, whether or not licensed in the state where the property is located or any other jurisdiction to inspect, evaluate, or adjust any loss covered by the **POLICY**.

14. The self-evident unfairness and anti-competitive nature of the Anti-Public Adjuster Endorsement is magnified by Velocity's deceptive claims settlement practices. For example, Velocity's retained Insurer's Adjusters are instructed to refuse any contact with Public Adjusters; to cease processing the claims of insureds that hire Public Adjusters; to send letters threatening the policyholder with breach of the insurance policy and forfeiture of coverage; and effectively to cancel the coverage. Defendant will not resume processing the policyholder's claim unless satisfied that the Public Adjuster has been terminated.

15. These claims settlement practices are unfair and deceptive to insureds because, among other reasons, the Anti-Public Adjuster Endorsement is unenforceable as a matter of law. It is well-settled under Florida law that an insured's breach of a post-loss condition – *i.e.*, per Velocity, the insured's act of hiring a Public Adjuster to assist with making or settling a claim – does not limit coverage unless that breach causes material prejudice to the insurer. No such prejudice exists. A licensed Public Adjuster can do only that which the insured could do him/her/itself, with the correct combination of education, training and experience – *i.e.*, investigate the loss, value the loss, and negotiate with the insurer regarding that loss. The payment of a covered loss does not prejudice an insurer as a matter of law; nor does an insured's consultation with a professional.

16. Velocity's Anti-Public Adjuster Endorsement is an unfair trade practice, contrary to Florida public policy, and unenforceable as a matter of law. As alleged earlier, the Court should declare the Anti-Public Adjuster Endorsement in violation of FDUTPA and should enjoin its use. Additionally, Velocity's agreement with the out-of-State co-conspirator insurers is anti-competitive, and this Court should declare that it constitutes a restraint of trade in violation of the Florida Antitrust Act and enjoin its enforcement and use. In the alternative, the Court should declare the Endorsement – and its contemplated forfeiture of insurance coverage – unenforceable as a matter of Florida law.

THE PARTIES

17. FAPIA is a membership organization and Florida not-for-profit corporation. FAPIA has been active in representing the interests of Florida Public Adjusters for more than 30 years. FAPIA's mission, among other things, is to organize and unite the public adjusting profession for the benefit of the insured citizens of Florida, to establish high standards of professional conduct and efficiency among its members, to study and assist in carrying out all laws and regulations

governing the public adjusting profession, and to advance and protect the interests of its members. FAPIA's membership includes approximately 650 Florida Public Adjusters.

18. NAPIA is a membership organization and Maryland corporation authorized to do business in the State of Florida. NAPIA was founded in 1951 to professionalize the then small but growing profession of public adjusting. At that time, NAPIA enacted a Constitution and Bylaws and a stringent code of ethics that serve as the model for public adjusting today. For over 70 years since its founding, NAPIA has worked to assure that Public Adjusters – who are the only professionals specifically licensed and regulated to prepare first-party property claims for consumer or commercial insureds – practice in an ethical and accountable way. NAPIA counts among its nationwide membership sixteen (16) Florida public adjusting firms and more than fifty (50) Florida-licensed Public Adjusters.

19. Plaintiffs FAPIA and NAPIA have standing to bring the claims asserted in this Complaint in a representative capacity on behalf of their affected members because, among other reasons: (i) a substantial number of their members are Florida Public Adjusters who are substantially affected by the Anti-Public Adjuster Endorsement and would have standing to bring these claims in their own right; (ii) the Anti-Public Adjuster Endorsement and the claims asserted in this Complaint are germane to each of FAPIA and NAPIA's purposes, as both entities exist to represent and advocate for the interests of Florida Public Adjusters; (iii) the relief sought – namely, injunctive and declaratory relief – is of the type appropriate for trade associations to pursue on behalf of their members and does not require the participation of individual members; and/or (iv) the Anti-Public Adjuster Endorsement constitutes an exclusionary restraint that forecloses competition, thereby inflicting antitrust injury on Plaintiffs' affected members. Plaintiffs' affected members are the direct and immediate objects of this restraint, and Plaintiffs are therefore efficient enforcers of the antitrust laws.

20. The declaratory and injunctive relief requested in this Complaint will also benefit actual and potential consumers that purchase Defendant's insurance policies containing the Anti-Public Adjuster Endorsement.

21. Defendant Velocity is a limited liability company doing business in the State of Florida as a managing general insurance agent. Velocity acts as managing general agent or "managing general underwriter" for out-of-State insurers underwriting risks in the Florida surplus lines property insurance market. Velocity sells surplus lines property policies to Florida consumers using its own policy form and with non-resident insurers each underwriting a certain percentage of the covered risk. Velocity's Florida registered agent is Corporation Service Company, 1201 Hays Street, Tallahassee, Florida 32301. As of 2024-2025, Velocity underwrote thousands of policies in the State of Florida involving millions of dollars of premiums. This includes many policies in Miami-Dade County involving substantial premiums.

JURISDICTION AND VENUE

22. This Court has subject matter jurisdiction over this action under § 26.012(2), Fla. Stat.

23. This case is subject to mandatory assignment to the Court's Complex Business Litigation Division because the amount in controversy relating to the requested declaratory and injunctive relief exceeds \$750,000; the factors identified in Florida Rule of Civil Procedure 1.201 and Administrative Order No. 25-01 favor the use of complex litigation procedures because of the likelihood of numerous pretrial motions raising difficult or novel legal issues; and the outcome of this case has the potential to have a significant impact on the business of Florida Public Adjusters and Florida Public Adjuster firms that are members of FAPIA or NAPIA.

24. Venue is proper in this Court pursuant to § 47.011, Fla. Stat., because, among other reasons, the causes of action asserted in this Complaint accrued in Miami-Dade County due to Plaintiffs' members doing business in Miami-Dade County and the adverse impact of the Anti-Public Adjuster Endorsement therefore is felt there; Velocity sells policies covering risks in Miami-Dade County; Velocity has sold policies covering risks in Miami-Dade County that contain the Anti-Public Adjuster Endorsement; and/or Velocity has enforced its Anti-Public Adjuster Endorsement against policyholders in Miami-Dade County.

25. This Court has personal jurisdiction over Defendant pursuant to § 48.193(1)(a)(1), (4) and § 48.193(2), Fla. Stat., because, among other reasons, the Defendant: (i) operates, conducts, engages in, or carries on business or a business venture in the State of Florida; (ii) contracted to insure a person, property, or risk located within the State of Florida at the time of contracting; and/or (iii) is otherwise engaged in substantial and not isolated activity within the State of Florida.

GENERAL ALLEGATIONS

I. Florida's Public Policy in Favor of the Public Adjusting Profession is Long- and Well-Established

26. Public Adjusters assist insureds in the investigation, preparation, filing and adjusting of insurance claims. Among other activities, Public Adjusters assist insureds in understanding the extent of coverage for a loss; complying with post-loss duties; preparing a claim for covered loss; estimating the monetary value of the loss; assessing the insurer's loss estimate; and working with the insurer to reach a full and fair settlement of the loss claim for the benefit of the insured.

27. Licensed Public Adjusters are the only profession specifically authorized to represent the interests of a policyholder in adjusting an insurance claim in the State of Florida.

28. Without the assistance of a Public Adjuster, most insureds are disadvantaged at every stage of the post-loss insurance claim process because they lack the Public Adjuster's experience with

insurance policy terms and conditions, loss valuation, and negotiations with Insurer's Adjusters and insurers.

29. The legitimacy of the public adjusting profession has long been expressly acknowledged under Florida law. As recognized by the Florida Supreme Court in 1958, "the business of a public adjuster has been recognized as a valid and legitimate occupation by legislative definition." *Larson*, 106 So. 2d at 192. More recently, the Florida Supreme Court ruled that the Public Adjuster's right to solicit business is constitutionally protected commercial speech. *See Atwater v. Kortum*, 95 So. 3d 85, 87 (Fla. 2012). The Florida Administrative Code prohibits an Insurer's Adjuster from advising against the engagement of a Public Adjuster to protect the claimant's interest. F.A.C. 69B-220.201(3)(h). And the Florida Statutes regulating Public Adjusters recognize that an insured has a right to hire a Public Adjuster to assist with an insurance claim. *See, e.g.*, § 626.8796(6)(c), Fla. Stat.

30. The regulatory requirements governing the public adjusting profession in Florida include, among other things: licensure; apprenticeship; continuing education; proof of financial viability; limited compensation; limitations on contracting with the insured; limitations on communications with the insured and insurers; and compliance with ethical standards for the profession.

31. Florida's public policy recognizing and regulating the public adjusting profession is consistent with the national norm. Nearly all States and the District of Columbia have passed legislation licensing Public Adjusters to assist insureds in the adjustment of first-party insurance claims. According to the OPPAGA study, Florida's Public Adjuster licensing requirements are similar to or more stringent than those of other States.

32. Public Adjusters provide important and valuable services to insureds in securing the coverage insureds paid for when purchasing an insurance policy. For example, the OPPAGA study

recognized that value in its examination of insureds' outcomes in claims filed with Citizens Property Insurance Corporation, Florida's insurer of last resort. The study showed that insureds represented by Public Adjusters "generally received larger insurance settlements."

II. Velocity Prohibits Insureds From Hiring Public Adjusters and Threatens Delayed Processing of Claims or Forfeiture of Coverage When They Do

33. An MGA manages all or part of the business of an insurer pursuant to a delegation of authority. Velocity sells itself as a "property specialist MGA" writing insurance against "property catastrophe" in Florida and around the United States on behalf of insurers.

34. Velocity's policy form used in the Florida surplus lines property insurance market prohibits the insured from engaging the services of a Public Adjuster through the express terms of the Anti-Public Adjuster Endorsement. Insurance sold in the surplus lines market, or "non-admitted market," is not regulated in rate or form, and the Florida Insurance Guaranty Association does not guarantee unpaid claims of surplus lines companies. Typically, surplus lines insurance covers risks that are not insurable in the standard or "admitted" market and is more expensive.

35. Velocity's policies issued to Florida insureds have included at least the following forms of Anti-Public Adjuster Endorsement:

ANTI-PUBLIC ADJUSTER ENDORSEMENT

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT
CAREFULLY.**

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

It is understood and agreed that a condition of this **POLICY** is that the **NAMED INSURED** shall not hire, engage, retain, contract with, or otherwise utilize the services of a public adjuster, whether or not licensed in the state where the property is located or any other jurisdiction to inspect, evaluate, or adjust any loss covered by the **POLICY**.

ANTI-PUBLIC ADJUSTER ENDORSEMENT

In consideration for the premium paid, it is understood and agreed that a condition of this policy is that the insured shall not retain or use the services of a licensed public adjuster to inspect, evaluate or adjust any loss covered by the policy.

36. Velocity's Florida surplus lines policies bring together multiple out-of-State insurers under the umbrella of a single policy form to underwrite the covered risk. In agreeing to underwrite a percentage of a risk covered under Velocity's form, the out-of-State insurers agree with Velocity and with each other to the use of Velocity's anticompetitive Anti-Public Adjuster Endorsement.

37. Insureds are unlikely to appreciate the effect and importance of the Anti-Public Adjuster Endorsement because of the substantial knowledge disparity in the insurer's favor as compared to the insured with respect to the details and fine points of insurance coverage and claims, and because the Endorsement applies and affects the insured only after a loss is suffered, and not at the time of contracting.

38. After a loss, if an insured attempts to work with a Public Adjuster, then Velocity's response, indeed its best practice, is to threaten the insured with forfeiture of coverage and force an insured to cancel his/her/its contract with a Public Adjuster. For example, Velocity's standard operating procedure mandates that neither Velocity nor its Insurer's Adjusters communicate with the Public Adjuster. It informs all experts and field staff hired for the claim's investigation not to engage with the Public Adjuster, and not to conduct an inspection of the property loss with a Public Adjuster present. Velocity's procedure requires that any written communication received from a Public Adjuster, at any point in the claims process, be rejected in writing to the insured. This includes proof of loss, estimates, documents and the like if sent by the Public Adjuster to Velocity or its Insurer's Adjusters. Velocity informs an insured in this situation that he/she/it must cancel the contract with his/her/its Public Adjuster. For instance, one form of the Velocity letter states that "[a]ny involvement of a Public Adjuster in the inspection, evaluation, or adjustment of your claim will constitute a breach

of your insurance policy and could affect coverage for your loss.” If, in response to Velocity’s threats and heavy-handed tactics, the policyholder does not cancel his/her/its contract with the Public Adjuster and provide Velocity with proof that he/she/it has done so, then Velocity effectively cuts off coverage for the insured.

39. Velocity also threatens that it will not take any steps to investigate, and it does not investigate, the insured’s loss until the insured provides evidence that it has withdrawn from any representation by a Public Adjuster. This requirement is plainly coercive for the insured after a loss, when time and attention to the loss is required right away. Under these conditions, an insured has no choice but to surrender to the insurer’s coercive requirement that the insured give up its ability to retain its own Public Adjuster in the coverage and claim process.

40. Velocity has employed these unlawful practices to coerce insureds into terminating the engagement of a Public Adjuster or deterring that engagement in the first place. Velocity has been active and overt in the development, implementation and spread of the Anti-Public Adjuster Endorsement among surplus lines carriers in Florida. These events establish an actual, present, and recurring controversy regarding the validity and enforceability of the Anti-Public Adjuster Endorsement, and demonstrate that insureds, as well as Plaintiffs’ members, have suffered and will continue to suffer concrete harm absent judicial intervention.

III. The Anti-Public Adjuster Endorsement Unfairly Prejudices Insureds in the Claim Adjustment Process; Velocity Deceives Consumers Regarding the Effect of the Endorsement

41. The Anti-Public Adjuster Endorsement hurts insureds when they are most in need of professional advice and experience. As a matter of common sense and as found by OPPAGA, insureds who do not have the assistance of Public Adjusters generally recover less on their insurance claims than represented insureds. And with respect to catastrophic losses, the unrepresented insureds recover much, much less money than what they are entitled to under the insurance policy for which they paid.

42. However, because Velocity threatens insureds with forfeiture of coverage, insureds are disincentivized to mount legal challenges to the Anti-Public Adjuster Endorsement. Confronted with a major loss, insureds often need their claim processed and paid as soon as possible. Under the circumstances, the threat of delays combined with the risks to insureds of a forfeiture of coverage are too high, and despite the importance and value of the Public Adjuster's professional assistance, insureds capitulate to Velocity's unfair enforcement of the Endorsement.

IV. The Anti-Public Adjuster Endorsement is an Unfair, Deceptive and Anti-Competitive Trade Practice in Violation of FDUTPA

43. The Anti-Public Adjuster Endorsement and Velocity's claims management practices relating to that Endorsement are unfair and deceptive.

44. A prohibition on any engagement with an authorized and regulated licensed Public Adjuster is void as against Florida public policy, which has recognized the legitimacy of the Public Adjusting profession and the service it provides for more than seventy years and which recognizes the right of the insured to utilize a Public Adjuster's services. *See, e.g.*, § 626.8796(6)(c), Fla. Stat.

45. Velocity's threat that the use of a Public Adjuster breaches the insurance policy and affects the existence of coverage is both unfair and deceptive. This is because Florida law abhors the forfeiture of coverage and requires an insurer to prove material prejudice flowing from the breach of a post-loss condition. No such prejudice could be shown in this instance, as a matter of law, because the Public Adjuster acts on a delegation of authority from the insured, at the insured's expense, and is empowered to do at most only that which the insured could do for the insured's own account. In other words, the insurer should be indifferent to whether or not the insured hires a Public Adjuster – unless the insurer's goal is to unfairly tilt the playing field in its favor by ensuring that an insured lacks professional and qualified advice regarding the loss claim.

46. The Anti-Public Adjuster Endorsement is anti-competitive by effecting an agreement between subscribing insurers to boycott Public Adjusters and by in effect requiring the use of the Insurer's Adjuster acting on the *insurers'* behalf. Velocity informs the subscribing insurers of the use of the Anti-Public Adjuster Endorsement in its policies; and each subscribing insurer has authorized Velocity to write or agrees to write insurance in conjunction with other insurers agreeing to the use of the Anti-Public Adjuster Endorsement.

47. Plaintiffs' Public Adjuster members are aggrieved by Velocity's use of the Anti-Public Adjuster Endorsement, which directly reduces the likelihood that insureds will hire them to assist with insurance claims. This harm is not hypothetical. Plaintiffs' Florida Public Adjusters have been denied engagements on account of the Anti-Public Adjuster Endorsement, and have been forced to terminate existing representations of insureds on account of the Anti-Public Adjuster Endorsement.

48. Insureds are aggrieved by the Anti-Public Adjuster Endorsement because it purports to cement the disparity in knowledge, information and bargaining power between Velocity and the insureds.

49. Because the form of surplus lines property insurance policies is not subject to regulatory review, and because the risks to insureds of a threatened forfeiture of coverage discourages insureds from challenging the legality of the Anti-Public Adjuster Endorsement, the requested declaratory relief is both necessary and proper.

V. The Agreement Between Defendant and Out-of-State Insurers Violates the Florida Antitrust Act

50. The purpose and effect of the Anti-Public Adjuster Endorsement and the use of that Endorsement in agreements between Velocity and its insurer co-conspirators, including without limitation Certain Underwriters at Lloyds, London and Interstate Fire & Casualty Company, is to consolidate all claims adjustment under Velocity policies in Florida under insurer control, to the

exclusion of Public Adjusters, thereby restraining trade. Plaintiffs' members have been, and will continue to be, excluded from serving policyholders in Florida as a direct result of the Endorsement.

51. The Endorsement does not involve the spreading or transferring of a policyholder's risk. Risk transfer occurs when a policy is issued and the insurer assumes defined risks in exchange for premiums. The Endorsement, in contrast, operates only after a loss has occurred, and its sole function is to restrict policyholders from obtaining independent representation in the claims process.

52. The Endorsement is not an integral part of the insurer-insured relationship because it covers only policyholders' dealings with independent professionals.

53. The Endorsement is not limited to entities within the insurance industry, because it purports to prohibit the *insured* from utilizing the services of anyone purporting to perform the services of a Public Adjuster, whether duly licensed or not.

54. By contracting to adopt and enforce the Endorsement, Defendant and its insurer co-conspirators have agreed to exclude an entire licensed and regulated profession – Public Adjusters – from the Florida marketplace and to coerce insureds into foregoing the services of a Public Adjuster as a condition of coverage. The effect of these agreements is a concerted boycott of Public Adjuster services in Florida, restraining trade, harming competition, and inflicting ongoing, irreparable harm on Plaintiffs' members in their lawful trade.

55. In a real sense, if left undisturbed, the Anti-Public Adjuster Endorsement is aimed to put an entire licensed profession – Public Adjusters in the State of Florida – out of business, and insulate the Insurer's Adjusters from competition for the business of adjusting insureds' losses. That intent is confirmed by, among other things, Velocity's direction to its Insurer's Adjusters to

refuse all communications with Public Adjusters if the loss is covered under a policy containing the Anti-Public Adjuster Endorsement. The Endorsement is a naked restraint of trade and injures not just Plaintiffs but insureds in Florida.

**COUNT I – VIOLATION OF THE FLORIDA
DECEPTIVE AND UNFAIR TRADE PRACTICES ACT**

56. Plaintiffs reallege and incorporate by reference all allegations set forth in paragraphs 1 through 55, *supra*, as if fully set forth in this Count.

57. This is an action for declaratory and injunctive relief under § 501.211(1), Fla. Stat.

58. At all times relevant to the allegations in this Count, Defendant sold and administered property insurance policies in trade or commerce.

59. Defendant's use of and acts and practices surrounding the Anti-Public Adjuster Endorsement, as described above, are deceptive because they are likely to mislead a consumer acting reasonably under the circumstances to the consumer's detriment.

60. Defendant's use of and acts and practices surrounding the Anti-Public Adjuster Endorsement, as described above, are unfair as they offend established public policy and are immoral, unethical, oppressive, unscrupulous or substantially injurious to consumers.

61. Defendant's use of and acts and practices surrounding the Anti-Public Adjuster Endorsement, as described above, are unfair methods of competition.

62. Defendant's unfair, deceptive and anti-competitive use of the Anti-Public Adjuster Endorsement is unlawful.

63. Plaintiffs' Florida Public Adjuster members are aggrieved by Defendant's unfair, deceptive and anti-competitive use of the Anti-Public Adjuster Endorsement and will benefit from the requested declaratory and injunctive relief.

64. Florida insureds entering into property insurance policies with Velocity are or will be aggrieved by Defendant's unfair, deceptive and anti-competitive use of the Anti-Public Adjuster Endorsement and will benefit from the requested declaratory and injunctive relief.

65. Accordingly, Plaintiffs request the following relief:

a. A declaration that the Anti-Public Adjuster Endorsement is an unfair or deceptive trade practice in violation of FDUTPA;

b. A declaration that Velocity's claims practices concerning the Anti-Public Adjuster Endorsement are unfair or deceptive trade practices in violation of FDUTPA;

c. An injunction prohibiting Velocity from including the Anti-Public Adjuster Endorsement in any policy directly or indirectly sold in the State of Florida and from taking any steps to enforce any existing Anti-Public Adjuster Endorsement in any policy covering Florida insureds or Florida-based risks;

d. An award of their reasonable attorneys' fees and costs; and

e. Granting such other and further relief as the Court may deem just and proper.

COUNT II – DECLARATORY JUDGMENT
(In the Alternative)

66. Plaintiffs reallege and incorporate by reference all allegations set forth in paragraphs 1 through 55, *supra*, as if fully set forth in this Count.

67. Plaintiffs seek declaratory relief pursuant to Chapter 86, Fla. Stat., that Velocity's Anti-Public Adjuster Endorsement is unenforceable as a matter of law.

68. There is a bona fide, actual, present, and practical need for a declaration of the parties' rights.

69. The declaration sought concerns a present, ascertained or ascertainable set of facts, or present controversy as to a set of facts.

70. Plaintiffs and their Florida members have an interest in the declaration sought, because the actual and repeated use and enforcement of the Anti-Public Adjuster Endorsement directly threatens the livelihood and profession of Florida licensed Public Adjusters.

71. Plaintiffs and Defendant have adverse and antagonistic interests and are properly before the Court by proper process.

72. The relief sought is not merely the giving of legal advice by the Court or the answer to hypothetical questions propounded from curiosity but rather will resolve a concrete controversy by providing Plaintiffs, their Florida members, Florida insureds, and Defendant certainty with respect to the effect and enforceability of the Anti-Public Adjuster Endorsement.

73. Section 86.111, Florida Statutes, provides for expedited consideration of actions for declaratory relief, and Plaintiffs respectfully request such expedited consideration.

74. Because Plaintiffs and their Florida members are in doubt concerning their respective legal rights, duties, and obligations with respect to the Anti-Public Adjuster Endorsement, Plaintiffs request a declaration to resolve this controversy. In particular, Plaintiffs request a declaratory judgment, on an expedited basis under Section 86.111, Florida Statutes, providing:

- a. Velocity's Anti-Public Adjuster Endorsement is void as against Florida public policy;
- b. Velocity's Anti-Public Adjuster Endorsement is an unenforceable post-loss condition of insurance coverage;
- c. A Florida insured's alleged breach of Velocity's Anti-Public Adjuster Endorsement is not, as a matter of law, a material breach forfeiting coverage under a property insurance policy containing the Endorsement; and
- d. Such other and further relief as the Court may deem just and proper.

COUNT III – RESTRAINT OF TRADE
(Per Se Violation; Fla. Stat. § 542.18)

75. Plaintiffs reallege and incorporate by reference all allegations set forth in paragraphs 1 through 55, *supra*, as if fully set forth in this Count.

76. Defendant and its out-of-state surplus lines insurer co-conspirators have entered into one or more agreements adopting the Anti-Public Adjuster Endorsement in surplus lines property insurance policies sold in Florida. Velocity sells property insurance policies joining together multiple insurers (each underwriting a percentage of the covered risk) under the common umbrella of the Velocity form. At the time that each of these co-conspirator surplus lines insurers enters into an agreement adopting the Endorsement in a Velocity policy, each co-conspirator insurer knows that it is joining together with other insurers and with Velocity to market, sell and enforce the anti-competitive Endorsement.

77. The Endorsement prohibits or penalizes insureds from retaining licensed Public Adjusters by purporting to condition coverage on the insured's agreement not to engage such representation. Through this mechanism, Defendant and its insurer co-conspirators have orchestrated a concerted refusal to deal with Public Adjusters.

78. The anti-competitive agreement to use and enforce the Anti-Public Adjuster Endorsement constitutes a concerted refusal to deal and group boycott because Defendant and its co-conspirator insurers condition access to the primary insurance transaction on insureds' abandonment of a collateral transaction, *i.e.*, the retention of Public Adjusters, which is a *per se* unlawful restraint of trade under Section 542.18, Fla. Stat.

79. As a direct and proximate result of Defendant and its co-conspirators' concerted boycott and refusal to deal, Plaintiffs' members face ongoing irreparable harm, including exclusion from their chosen profession, suppression of competition, and loss of business opportunities.

80. Accordingly, Plaintiffs request the following relief:

- a. A declaration that the policies issued by Defendant and co-conspirator subscribing surplus lines insurers containing the Anti-Public Adjuster Endorsement are unlawful *per se* under Section 542.18, Fla. Stat.;
- b. An injunction under Section 542.23, Fla. Stat., permanently prohibiting Velocity, directly or indirectly, from using, enforcing, or requiring such Anti-Public Adjuster Endorsements in any policy covering Florida insureds or Florida-based risks;
- c. An award of their reasonable attorneys' fees and costs; and
- d. Such other and further relief as the Court may deem just and proper.

Dated: October 9, 2025

Respectfully submitted,



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