



The Florida Car Accident Settlement Guide

What Your Case May Be Worth: Understanding
How Settlements Are Valued in Florida

Multiplier Method • Per Diem • HB 837 Medical Bill Rules
Letters of Protection • Medical Liens • Mediation • Your Options

2026 Edition | Free Informational Guide

About This Guide

This free informational guide was created by [LexPair](#) to help people in Florida understand how car accident settlements are valued, what factors affect the amount, and how Florida's tort reform law (HB 837) has changed the rules.

If you've been injured in a Florida car accident and are wondering what your case may be worth, this guide provides general information about the settlement process. It covers how insurance adjusters evaluate claims, the two most common methods for estimating pain and suffering damages, how medical bills are handled under Florida's new evidence rules, and what to expect from the negotiation and mediation process. **This guide is not legal advice.** Every case is different. Settlement values depend on the specific facts, injuries, insurance coverage, and legal circumstances of each individual situation. A licensed Florida attorney should be consulted for guidance on any specific case.

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Key statute: Fla. Stat. § 768.0427 (evidence of medical expenses under HB 837). Additional: § 768.81 (comparative negligence); § 627.737 (serious injury threshold); § 95.11 (statute of limitations). This guide is informational only and does not constitute legal advice.

CHAPTER 1

How Insurance Adjusters Value Claims

Understanding how insurance companies calculate settlement offers is essential for evaluating whether an offer is reasonable. Adjusters use a structured approach to valuation, and knowing their framework can help set realistic expectations.

Economic Damages (Special Damages)

These are the direct, verifiable financial losses resulting from the accident. They are generally calculated by adding up documented expenses and losses: past and future medical expenses (hospital stays, surgeries, physical therapy, medications, rehabilitation, future anticipated care); lost wages (income lost because of inability to work during recovery); diminished earning capacity (long-term reduction in earning ability if injuries prevent returning to the same work); property damage (vehicle repair or replacement costs); and out-of-pocket expenses (transportation to medical appointments, home modifications, in-home care). Economic damages are supported by documentation: medical bills, pay stubs, tax returns, and employer verification.

Non-Economic Damages (General Damages)

These compensate for losses that do not have a specific dollar amount: pain and suffering, emotional distress, loss of enjoyment of life, loss of consortium (impact on spousal/family relationships), and scarring or disfigurement. Non-economic damages are subjective and are where most settlement disputes arise. Florida law does not prescribe a specific formula for calculating non-economic damages. At trial, the jury is instructed to award an amount that is “fair and reasonable in light of the evidence.”

The Serious Injury Threshold

In Florida’s no-fault system, non-economic damages (pain and suffering) are only recoverable if injuries meet the serious injury threshold: significant and permanent loss of an important bodily function; permanent injury within a reasonable degree of medical probability; significant and permanent scarring or disfigurement; or death. This threshold is the gateway to recovering any damages beyond PIP.

Fla. Stat. § 627.737(2)(a)–(c) (serious injury threshold).

LEXPAIR TIP

Understanding the difference between economic and non-economic damages is the foundation of evaluating any settlement. LexPair offers a free [Settlement Calculator](#) for a preliminary estimate.

CHAPTER 2

The Multiplier Method

The multiplier method is one of the most commonly referenced approaches for estimating non-economic damages in personal injury cases. It is not prescribed by Florida law but is widely used by insurance adjusters and attorneys as a starting point for valuation.

How It Works

The multiplier method takes total economic damages (medical bills, lost wages, property damage) and multiplies them by a number — typically between 1.5 and 5.0 — to estimate the value of non-economic damages (pain and suffering). The multiplier selected depends on factors including the severity and permanence of injuries, the length of recovery, the impact on daily life and activities, whether injuries are visible (scarring, disfigurement), and the strength of medical documentation.

Example Calculation

If total economic damages are \$50,000 and a multiplier of 3.0 is applied, the estimated non-economic damages would be \$150,000, for a total claim value of \$200,000. A multiplier of 1.5 to 2.0 is generally associated with less severe injuries with full recovery expected. A multiplier of 2.5 to 3.5 is generally associated with moderate injuries with some lasting impact. A multiplier of 4.0 to 5.0 is generally reserved for catastrophic injuries with permanent, life-altering consequences.

Limitations

The multiplier method is an estimation tool, not a legal formula. Insurance adjusters may use their own proprietary software (such as Colossus) rather than a simple multiplier. The actual value of a case depends on many factors that a formula cannot capture, including the credibility of the injured person, the quality of medical documentation, the jurisdiction, and the specific insurance company's evaluation practices.

THE MULTIPLIER IS A STARTING POINT, NOT A GUARANTEE

No formula can determine exactly what a case is “worth.” The multiplier method provides a general framework, but actual settlement values depend on the totality of the evidence, the specific insurance company, and the negotiation or litigation process. An experienced attorney can provide a more accurate case-specific evaluation.

CHAPTER 3

The Per Diem Method

The per diem method is an alternative approach to estimating non-economic damages. “Per diem” is Latin for “per day.”

How It Works

The per diem method assigns a daily dollar amount to the injured person’s pain and suffering, then multiplies it by the number of days the person was affected. The daily rate is often based on the injured person’s actual daily wages or another reasonable rate reflecting the severity of the impact on daily life.

Example Calculation

If the injured person earns \$200 per day and recovery takes 180 days, the per diem calculation yields \$36,000 in estimated non-economic damages ($\$200 \times 180$ days). This is then added to economic damages for the total claim value.

When Per Diem Is Used

The per diem method is generally considered more applicable to temporary injuries with a defined recovery period. It is typically not used for permanent injuries (where the “number of days” is effectively unlimited). For permanent injuries, the multiplier method or other approaches are more commonly employed.

LEXPAIR TIP

Both the multiplier and per diem methods are estimation tools. An experienced [car accident attorney](#) can evaluate which approach is more appropriate for your specific injuries and circumstances.

CHAPTER 4

HB 837: The New Rules for Medical Bill Evidence

Florida's 2023 tort reform law, HB 837, made significant changes to how medical expenses can be presented as evidence in personal injury cases. These changes, codified in Fla. Stat. § 768.0427, directly affect settlement valuations.

Before HB 837

Prior to HB 837 (for causes of action filed before March 24, 2023), plaintiffs could generally present the full billed amount of medical expenses as evidence at trial, regardless of what was actually paid. For example, if a hospital billed \$100,000 but the insurer paid \$20,000, the plaintiff could present \$100,000 to the jury as the value of medical damages.

Fla. Stat. § 768.0427 (enacted by CS/CS/HB 837, eff. March 24, 2023).

After HB 837: Paid vs. Billed

For causes of action accruing after March 24, 2023, the rules have changed significantly. For past medical bills that have been paid, only the amount actually paid can be presented as evidence — not the original billed amount, regardless of the source of payment (private insurance, Medicare, Medicaid). For unpaid medical bills where the patient has insurance, only the amount the insurer would be required to pay is admissible. For unpaid bills where the patient has no insurance or treated under a letter of protection, the admissible amount is limited to 120% of the Medicare reimbursement rate (or 170% of the Medicaid rate if no Medicare rate exists).

Fla. Stat. § 768.0427(2)(a)–(b) (evidence of past medical expenses: paid amounts only); Fla. Stat. § 768.0427(2)(c) (unpaid bills: 120% Medicare / 170% Medicaid cap).

Impact on Settlement Values

This change can significantly reduce the medical damages portion of a claim. When medical expenses are lower, the multiplier method yields lower non-economic damage estimates as well (since the multiplier is applied to economic damages). For example, if the billed amount was \$100,000 but the paid amount was \$20,000, the claim's total valuation under the multiplier method may be substantially lower than it would have been before HB 837. This shift gives insurance companies additional leverage in settlement negotiations.

HB 837 CHANGED THE MATH

The paid-vs-billed rule under § 768.0427 is one of the most significant changes in Florida personal injury law in recent years. It affects every settlement negotiation and trial. An attorney familiar with HB 837 can help evaluate how these rules apply to a specific case and adjust the settlement strategy accordingly.

CHAPTER 5

Letters of Protection and Medical Liens

Many car accident victims in Florida receive medical treatment through a letter of protection (LOP) or have medical liens placed on their potential settlement. Understanding how these work is important for evaluating the net settlement amount.

What Is a Letter of Protection?

A letter of protection is an arrangement where a healthcare provider agrees to treat the injured person in exchange for a promise of payment from any future settlement or judgment. LOPs allow accident victims to receive medical care even if they cannot afford to pay upfront or if their PIP and health insurance are exhausted. The provider agrees to defer payment, and the attorney agrees to honor the provider's lien against the settlement proceeds.

HB 837 and LOPs

Under HB 837, a letter of protection is now formally defined in the statute, and important new disclosure requirements apply. If the injured person had health insurance at the time of treatment but chose to treat under an LOP instead, the defendant can introduce evidence of what the insurer would have paid — which is typically far less than the LOP provider's charges. Additionally, if the treating attorney referred the patient to the provider, that referral relationship must be disclosed and is admissible as evidence at trial.

Fla. Stat. § 768.0427(3) (definition and disclosure requirements for letters of protection).

Medical Liens

A medical lien is a legal claim by a healthcare provider (or insurer) against the proceeds of a personal injury settlement or judgment. Common lien holders include: hospitals and emergency care providers; health insurance companies (subrogation claims); Medicare and Medicaid; and healthcare providers who treated under a letter of protection. Liens must generally be resolved before the net settlement amount can be distributed to the injured person. Negotiating lien reductions is a common part of the settlement process.

How Liens Affect Your Net Recovery

The gross settlement amount and the net amount the injured person actually receives can be very different. From the gross settlement, the following are typically deducted: attorney fees (usually a percentage of the recovery); case costs (filing fees, expert fees, medical records); medical liens and LOP obligations; and any health insurance subrogation claims. An experienced attorney can often negotiate lien reductions, which directly increases the injured person's net recovery.

LEXPAIR TIP

The net settlement — what actually reaches your pocket — depends heavily on liens, attorney fees, and case costs. Understanding these deductions before accepting an offer is important. [Consult with an attorney through LexPair.](#)

CHAPTER 6

How Comparative Negligence Affects Settlement Value

Florida's modified comparative negligence system, enacted by HB 837, directly affects how settlement offers are calculated.

The 50% Bar

Under Fla. Stat. § 768.81, if the injured person is found more than 50% at fault for the accident, they are barred from recovery entirely. If 50% or less at fault, their recovery is reduced proportionally.

Fla. Stat. § 768.81 (comparative fault), as amended by CS/CS/HB 837 (2023).

How This Affects Settlement Math

Insurance adjusters factor comparative negligence into every settlement offer. If the adjuster believes the claimant is 30% at fault, they will reduce the offer by 30%. For example, if a claim is valued at \$200,000 and the adjuster attributes 30% fault to the claimant, the offer may be \$140,000 ($\$200,000 \times 70\%$). If the adjuster believes the claimant is 51% or more at fault, the insurer may deny the claim entirely.

Common Fault Arguments

Insurance companies commonly use the following arguments to shift fault to the claimant: the claimant was distracted or on their phone; the claimant was speeding or violated a traffic law; the claimant failed to wear a seatbelt; the claimant's pre-existing conditions contributed to the severity of injuries; the claimant failed to mitigate damages by delaying medical treatment. An experienced attorney can gather evidence to counter these arguments and minimize the fault attributed to the claimant.

THE 50% BAR CHANGES EVERYTHING

Before HB 837, Florida used pure comparative negligence — a claimant who was 80% at fault could still recover 20% of their damages. Now, being found more than 50% at fault eliminates recovery entirely. This makes fault determination a central issue in every Florida car accident settlement.

CHAPTER 7

The Settlement Process: From Demand to Resolution

Understanding the typical settlement timeline and process can help set realistic expectations.

Maximum Medical Improvement (MMI)

Before a settlement value can be properly assessed, the injured person generally needs to reach maximum medical improvement (MMI) — the point at which further medical treatment is not expected to significantly improve the condition. Settling before MMI risks undervaluing the claim because future medical needs may not yet be fully understood.

The Demand Letter

Once MMI is reached, the attorney typically sends a demand letter to the insurer. This letter outlines the facts of the case, the evidence of fault, the injuries and medical treatment, all economic and non-economic damages, and the specific settlement amount demanded. The demand letter is the formal opening of negotiations.

Negotiation

The insurer responds with a counteroffer — usually significantly lower than the demand. Negotiations may go through multiple rounds. The insurer's counteroffer is typically based on their internal evaluation of liability, the medical documentation, and the applicable evidence rules under HB 837. An experienced attorney negotiates from a position of knowledge about the specific insurer's practices, recent jury verdicts in the jurisdiction, and the strengths and weaknesses of the case.

Typical Timeline

Simple cases with clear liability and moderate injuries may settle in 3 to 6 months. More complex cases involving disputed liability, severe injuries, or multiple parties may take 12 months or longer. Cases that proceed to litigation can take 18 months to several years.

Statute of Limitations

The statute of limitations for most Florida car accident negligence claims is two years from the date of the accident (for causes of action accruing after March 24, 2023). Missing this deadline permanently bars the claim.

Fla. Stat. § 95.11 (statutes of limitations), as amended by CS/CS/HB 837 (2023).

LEXPAIR TIP

Settling too early can mean leaving money on the table. Settling too late risks hitting the statute of limitations. An experienced [car accident attorney](#) manages this timeline. [Get paired through LexPair.](#)

CHAPTER 8

When Settlement Talks Fail: Mediation and Litigation

Not every case settles through negotiation. When the insurer's offer is inadequate, the next steps typically involve mediation and, if necessary, litigation.

What Is Mediation?

Mediation is a structured negotiation process led by a neutral third-party mediator. Both sides present their positions, and the mediator works to facilitate a resolution. Mediation is voluntary (both sides must agree to any settlement reached), and it is confidential. Florida courts often require or encourage mediation before a case can proceed to trial. Many car accident cases that cannot be resolved through direct negotiation settle at mediation.

What Happens at Mediation

Both sides typically prepare mediation statements outlining their positions. The mediator meets with both sides together and separately (in "caucus" sessions). Settlement offers and counteroffers are exchanged through the mediator. If an agreement is reached, it is put in writing and becomes binding. If no agreement is reached, the case proceeds toward trial.

Filing a Lawsuit

If mediation fails or the insurer refuses to negotiate in good faith, the attorney may file a personal injury lawsuit. Once a lawsuit is filed, the discovery process begins — including depositions, interrogatories, document requests, and potentially expert witness testimony. The lawsuit creates additional pressure on the insurer to settle, as the costs and risks of trial increase. Many cases settle during the litigation process, even after a lawsuit is filed, without ever reaching a jury.

The Role of Jury Verdicts

Local jury verdict history plays a significant role in settlement valuations. Insurers and attorneys both research what juries in the specific county or circuit have awarded in similar cases. Counties with historically higher jury verdicts (such as Miami-Dade and Broward) may produce higher settlement offers than counties with more conservative verdict histories.

LEXP AIR TIP

Most car accident cases in Florida settle without going to trial. However, having an attorney who is prepared and willing to go to trial often produces better settlement results. [LexPair](#) connects people with trial-ready [car accident attorneys](#) in Florida. [Start a free case evaluation.](#)

Wondering What Your Case May Be Worth?

Try LexPair's free [Settlement Calculator](#) for a preliminary estimate, then [connect with a verified car accident attorney](#) in Florida for a case-specific evaluation.

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