

By Senator Sharief

35-00860A-25

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1 A bill to be entitled
2 An act relating to rate standards for property
3 insurers; amending s. 627.0613, F.S.; revising the
4 powers of the consumer advocate; specifying that
5 failure to obey certain court orders may be punished
6 as contempt; authorizing the court to order a person
7 to pay certain expenses; amending s. 627.062, F.S.;
8 prohibiting the Office of Insurance Regulation from
9 approving certain rate filings; authorizing the
10 consumer advocate to request a specified
11 administrative hearing and an expedited appellate
12 review; providing an effective date.

13
14 Be It Enacted by the Legislature of the State of Florida:

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16 Section 1. Subsections (5) and (6) are added to section
17 627.0613, Florida Statutes, to read:

18 627.0613 Consumer advocate.—The Chief Financial Officer
19 must appoint a consumer advocate who must represent the general
20 public of the state before the department and the office. The
21 consumer advocate must report directly to the Chief Financial
22 Officer, but is not otherwise under the authority of the
23 department or of any employee of the department. The consumer
24 advocate has such powers as are necessary to carry out the
25 duties of the office of consumer advocate, including, but not
26 limited to, the powers to:

27 (5) Request an administrative hearing pursuant to s. 120.57
28 to challenge a notice of intent to approve or a notice of intent
29 to disapprove a rate filing.

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30 (6) Administer oaths or affirmations to compel the
31 attendance and testimony of witnesses, or to issue subpoenas for
32 and compel the production of books, papers, records, documents,
33 and other evidence pertaining to any investigation or hearing
34 convened under this section.

35 (a) In conducting an investigation, the consumer advocate
36 and its investigators shall have access at all reasonable times
37 to premises, records, documents, and other evidence or possible
38 sources of evidence and may examine, record, and copy such
39 materials and take and record the testimony or statements of
40 such persons as are reasonably necessary for the furtherance of
41 the investigation.

42 (b) In the case of a refusal to obey a subpoena issued to
43 any person, the consumer advocate may make application to any
44 circuit court of this state, which shall have jurisdiction to
45 order the witness to appear before the consumer advocate to give
46 testimony and to produce evidence concerning the matter in
47 question. Failure to obey the court's order may be punished by
48 the court as contempt. If the court enters an order holding a
49 person in contempt or compelling the person to comply with the
50 subpoena, the court may order the person to pay the consumer
51 advocate reasonable expenses, including reasonable attorney
52 fees, accrued by the consumer advocate in obtaining the order
53 from the court.

54 Section 2. Paragraph (a) of subsection (2) and subsection
55 (6) of section 627.062, Florida Statutes, are amended to read:

56 627.062 Rate standards.—

57 (2) As to all such classes of insurance:

58 (a) Insurers or rating organizations shall establish and

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59 use rates, rating schedules, or rating manuals that allow the
60 insurer a reasonable rate of return on the classes of insurance
61 written in this state. A copy of rates, rating schedules, rating
62 manuals, premium credits or discount schedules, and surcharge
63 schedules, and changes thereto, must be filed with the office
64 under one of the following procedures:

65 1. If the filing is made at least 90 days before the
66 proposed effective date and is not implemented during the
67 office's review of the filing and any proceeding and judicial
68 review, such filing is considered a "file and use" filing. In
69 such case, the office shall finalize its review by issuance of a
70 notice of intent to approve or a notice of intent to disapprove
71 within 90 days after receipt of the filing. If the 90-day period
72 ends on a weekend or a holiday under s. 110.117(1)(a)-(i), it
73 must be extended until the conclusion of the next business day.
74 The notice of intent to approve and the notice of intent to
75 disapprove constitute agency action for purposes of the
76 Administrative Procedure Act. Requests for supporting
77 information, requests for mathematical or mechanical
78 corrections, or notification to the insurer by the office of its
79 preliminary findings does not toll the 90-day period during any
80 such proceedings and subsequent judicial review. The rate shall
81 be deemed approved if the office does not issue a notice of
82 intent to approve or a notice of intent to disapprove within 90
83 days after receipt of the filing.

84 2. If the filing is not made in accordance with
85 subparagraph 1., such filing must be made as soon as
86 practicable, but within 30 days after the effective date, and is
87 considered a "use and file" filing. An insurer making a "use and

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88 file" filing is potentially subject to an order by the office to
89 return to policyholders those portions of rates found to be
90 excessive, as provided in paragraph (h).

91 3. For all property insurance filings made or submitted
92 after January 25, 2007, but before May 1, 2012, an insurer
93 seeking a rate that is greater than the rate most recently
94 approved by the office shall make a "file and use" filing. For
95 purposes of this subparagraph, motor vehicle collision and
96 comprehensive coverages are not considered property coverages.

97 4. The office may not approve any property insurance
98 filings made or submitted on or after July 1, 2025, if the
99 proposed rate exceeds 10 percent above the highest rate approved
100 by the office within the past 12 months. If multiple rate
101 filings occur within a 12-month period, the office may not
102 approve a total cumulative increase exceeding 15 percent above
103 the highest approved rate within the past 12 months.

104

105 The provisions of this subsection do not apply to workers'
106 compensation, employer's liability insurance, and motor vehicle
107 insurance.

108 (6) (a) If an insurer or the consumer advocate under s.
109 627.0613 requests an administrative hearing pursuant to s.
110 120.57 related to a rate filing under this section, the director
111 of the Division of Administrative Hearings must ~~shall~~ expedite
112 the hearing and assign an administrative law judge who shall
113 commence the hearing within 30 days after the receipt of the
114 formal request and enter a recommended order within 30 days
115 after the hearing or within 30 days after receipt of the hearing
116 transcript by the administrative law judge, whichever is later.

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117 Each party shall have 10 days in which to submit written
118 exceptions to the recommended order. The office shall enter a
119 final order within 30 days after the entry of the recommended
120 order. The provisions of this paragraph may be waived upon
121 stipulation of all parties.

122 (b) Upon entry of a final order, the insurer or the
123 consumer advocate under s. 627.0613 may request an expedited
124 appellate review pursuant to the Florida Rules of Appellate
125 Procedure. It is the intent of the Legislature that the First
126 District Court of Appeal grant an insurer's request for an
127 expedited appellate review.

128 Section 3. This act shall take effect July 1, 2025.