



937706

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/17/2025	.	
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The Committee on Banking and Insurance (Ingoglia) recommended the following:

**Senate Amendment (with title amendment)**

Between lines 452 and 453  
insert:

Section 5. Paragraph (a) of subsection (2) of section 627.062, Florida Statutes, is amended to read:

627.062 Rate standards.—

(2) As to all such classes of insurance:

(a) Insurers or rating organizations shall establish and use rates, rating schedules, or rating manuals that allow the



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11 insurer a reasonable rate of return on the classes of insurance  
12 written in this state. A copy of rates, rating schedules, rating  
13 manuals, premium credits or discount schedules, and surcharge  
14 schedules, and changes thereto, must be filed with the office  
15 under one of the following procedures:

16 1. If the filing is made at least 90 days before the  
17 proposed effective date and is not implemented during the  
18 office's review of the filing and any proceeding and judicial  
19 review, such filing is considered a "file and use" filing. In  
20 such case, the office shall finalize its review by issuance of a  
21 notice of intent to approve or a notice of intent to disapprove  
22 within 90 days after receipt of the filing. If the 90-day period  
23 ends on a weekend or a holiday under s. 110.117(1)(a)-(i), it  
24 must be extended until the conclusion of the next business day.  
25 The notice of intent to approve and the notice of intent to  
26 disapprove constitute agency action for purposes of the  
27 Administrative Procedure Act. Requests for supporting  
28 information, requests for mathematical or mechanical  
29 corrections, or notifications ~~notification~~ to the insurer by the  
30 office of its preliminary findings do ~~does~~ not toll the 90-day  
31 period during any such proceedings and subsequent judicial  
32 review. The rate is ~~shall be~~ deemed approved if the office does  
33 not issue a notice of intent to approve or a notice of intent to  
34 disapprove within 90 days after receipt of the filing. The  
35 office may not request that an insurer waive such deemed  
36 approval for any residential property insurance rate filing in  
37 which the insurer proposes a rate decrease, provided that the  
38 decrease is not solely due to a reduction in coverage or changes  
39 to policy forms. The office may not issue a notice of intent to



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40 disapprove a residential property insurance rate filing in which  
41 the insurer proposes a rate decrease unless it has completed a  
42 finalized review.

43       2. If the filing is not made in accordance with  
44 subparagraph 1., such filing must be made as soon as  
45 practicable, but within 30 days after the effective date, and is  
46 considered a "use and file" filing. An insurer making a "use and  
47 file" filing is potentially subject to an order by the office to  
48 return to policyholders those portions of rates found to be  
49 excessive, as provided in paragraph (h).

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

56  
57 The provisions of this subsection do not apply to workers'  
58 compensation, employer's liability insurance, and motor vehicle  
59 insurance.

60       Section 6. Section 627.4263, Florida Statutes, is created  
61 to read:

62       627.4263 Use of algorithms, artificial intelligence  
63 systems, and machine learning systems in claims handling.-

64       (1) As used in this section:

65       (a) "Algorithm" means a clearly specified mathematical  
66 process for computation that uses rules designed to give  
67 prescribed results.

68       (b) "Artificial intelligence system" means a machine-based



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69 system that may have varying levels of autonomy and that can,  
70 for a given set of objectives, generate outputs such as  
71 predictions, recommendations, content, or other outputs  
72 influencing decisions made in real or virtual environments.

73 (c) "Machine learning system" means an artificial  
74 intelligence system that has the ability to learn from provided  
75 data without being explicitly programmed.

76 (d) "Qualified human professional" means an individual who,  
77 under the Florida Insurance Code, may have authority to adjust  
78 or deny a claim or a portion of a claim and has such authority  
79 over a particular claim.

80 (2) An insurer's decision to deny a claim or any portion of  
81 a claim must be made by a qualified human professional.

82 (3) A qualified human professional must also:

83 (a) Analyze the facts of the claim and the terms of the  
84 insurance policy independently of any system or algorithm.

85 (b) Review the accuracy of any output generated by such a  
86 system or algorithm.

87 (c) Conduct any review of a claim adjustment or claim  
88 decision that was made by another qualified human professional.

89 (4) An insurer shall maintain detailed records of the  
90 activities of qualified human professionals who are required  
91 under this section, including:

92 (a) The name and title of the qualified human professional  
93 who made the decision to deny the claim or a portion of the  
94 claim and of any qualified human professional who reviewed the  
95 claim adjustment or claim decision.

96 (b) The date and time of the claim decision and of any  
97 review of the claim adjustment.



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98           (c) Documentation of the basis for the denial of the claim  
99 or a portion of the claim, including any information provided by  
100 an algorithm, artificial intelligence system, or machine  
101 learning system.

102           (5) An artificial intelligence system, a machine learning  
103 system, or an algorithm may not serve as the sole basis for  
104 determining whether to deny a claim.

105           (6) In all denial communications to a claimant, an insurer  
106 shall:

107           (a) Clearly identify the qualified human professional who  
108 made the decision to deny the claim or a portion of the claim.

109           (b) Include a statement affirming that an algorithm, an  
110 artificial intelligence system, or a machine learning system did  
111 not serve as the sole basis for determining whether to deny the  
112 claim.

113           (7) An insurer that uses an algorithm, an artificial  
114 intelligence system, or a machine learning system as part of its  
115 claims handling process must detail in its claims handling  
116 manual the manner in which such systems are used and the manner  
117 in which the insurer complies with this section.

118           (8) The office may conduct market conduct examinations and  
119 investigations or use any method it deems necessary to verify  
120 compliance with this section.

121  
122 ===== T I T L E   A M E N D M E N T =====

123 And the title is amended as follows:

124           Delete line 22

125 and insert:

126           until a specified time; amending s. 627.062, F.S.;



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127 prohibiting the office from requesting an insurer  
128 waive a deemed approval for residential property  
129 insurance rate filing under certain circumstances;  
130 prohibiting the office from issuing a notice of intent  
131 to disapprove a residential property insurance rate  
132 filing under certain circumstances; creating s.  
133 627.4263, F.S.; defining terms; requiring that  
134 insurers' decisions to deny claims be made by  
135 qualified human professionals; specifying the duties  
136 of qualified human professionals; requiring an insurer  
137 to maintain certain records; prohibiting using  
138 artificial intelligence, machine learning systems, or  
139 algorithms as the sole basis for determining whether  
140 to deny a claim; requiring insurers to include certain  
141 information in denial communications to claimants;  
142 requiring that certain insurers detail certain  
143 information in its claims handling manual; authorizing  
144 the office to conduct market conduct examinations and  
145 investigations under certain circumstances; providing  
146 an effective date.