



937706

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/19/2025	.	
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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.



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.