By the Committee on Banking and Insurance; and Senator Bradley

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1   A bill to be entitled
2   An act relating to mandatory human reviews of
3   insurance claim denials; creating s. 627.4263, F.S.;
4   defining terms; requiring that insurers' decisions to
5   deny claims or any portion of a claim be made by
6   qualified human professionals; specifying the duties
7   of qualified human professionals; requiring an insurer
8   to maintain certain records; prohibiting using
9   algorithms, artificial intelligence, or machine
10   learning systems as the sole basis for determining
11   whether to adjust or deny a claim; requiring insurers
12   to include certain information in denial
13   communications to claimants; requiring that certain
14   insurers detail certain information in their claims
15   handling manual; authorizing the Office of Insurance
16   Regulation to conduct market conduct examinations and
17   investigations under certain circumstances;
18   authorizing the Financial Services Commission to adopt
19   rules; providing an effective date.
20
21   Be It Enacted by the Legislature of the State of Florida:
22
23   Section 1. Section 627.4263, Florida Statutes, is created
24   to read:
25   627.4263 Mandatory human reviews of claim denials.—
26   (1) As used in this section, the term:
27   (a) "Algorithm" means a clearly specified mathematical
28   process for computation which uses rules designed to give
29   prescribed results.

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30   (b) "Artificial intelligence system" means a machine-based
31 system that may have varying levels of autonomy and that can,
32 for a given set of objectives, generate outputs, such as
33 predictions, recommendations, or content, influencing decisions
34 made in real or virtual environments.
35   (c) "Machine learning system" means an artificial
36 intelligence system that has the ability to learn from provided
37 data without being explicitly programmed.
38   (d) "Qualified human professional" means an individual who,
39 under the Florida Insurance Code, has the authority to adjust or
40 deny a claim or a portion of a claim and may exercise such
41 authority over a particular claim.
42   (2) An insurer's decision to deny a claim or any portion of
43 a claim must be made by a qualified human professional.
44   (3) A qualified human professional shall, before
45 determining whether to adjust or deny a claim or a portion of a
46 claim, do all of the following:
47   (a) Analyze the facts of the claim and the terms of the
48 insurance policy independently of any system or algorithm.
49   (b) Review the accuracy of any output generated by such a
50 system or algorithm.
51   (c) Conduct any review of a claim adjustment or claim
52 decision that was made by another qualified human professional.
53   (4) An insurer shall maintain detailed records of the
54 actions of qualified human professionals who are required to
55 perform the actions under subsection (3), including:
56   (a) The name and title of the qualified human professional
57 who made the decision to deny a claim or a portion of a claim
58 and of any qualified human professional who reviewed a claim

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59 adjustment or claim decision.

60   (b) The date and time of the claim decision and of any

61 review of the claim adjustment.

62   (c) Documentation of the basis for the denial of the claim

63 or a portion of the claim, including any information provided by

64 an algorithm, an artificial intelligence system, or a machine

65 learning system.

66   (5) An algorithm, an artificial intelligence system, or a

67 machine learning system may not serve as the sole basis for

68 determining whether to adjust or deny a claim.

69   (6) In all denial communications to a claimant, an insurer

70 shall:

71   (a) Clearly identify the qualified human professional who

72 made the decision to deny the claim or a portion of the claim;

73 and

74   (b) Include a statement affirming that an algorithm, an

75 artificial intelligence system, or a machine learning system did

76 not serve as the sole basis for determining whether to deny the

77 claim or a portion of the claim.

78   (7) An insurer that uses an algorithm, an artificial

79 intelligence system, or a machine learning system as part of its

80 claims handling process shall detail in its claims handling

81 manual the manner in which such systems are to be used and the

82 manner in which the insurer complies with this section.

83   (8) The office may conduct market conduct examinations and

84 investigations or use any method it deems necessary to verify

85 compliance with this section.

86   (9) The commission may adopt rules to implement this

87 section.

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88   Section 2. This act shall take effect January 1, 2026.