

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: CS/SB 888

INTRODUCER: Banking and Insurance Committee and Senator Avila

SUBJECT: Consumer Transparency for Homeowner's Insurance

DATE: March 25, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Thomas	Knudson	BI	Fav/CS
2.			AEG	
3.			FP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 888 provides that, beginning on October 1, 2025, every rate filing for residential property coverage from a property insurer must include a rate transparency report. The report must be included with any offer of coverage and upon policy renewal. The report must include, among other information, the percentage breakdown of each cost factor making up the rate.

The bill requires the Office of Insurance Regulation (OIR) to establish a comprehensive resource center on its website to aid consumers in their understanding of insurance. The resource center must include substantive information on the current and historical dynamics of the market, available data concerning the financial condition and market conduct of insurance companies, information on the claims process, information on consumer protection, information on disaster preparedness, and information on the insurance coverage choices available to consumers.

The bill provides that the statewide average requested rate change and final approved statewide average rate change in a filing, as well as the county rating examples submitted to the OIR through the rate collection system for the purpose of displaying rates on its website, are not a trade secret.

The bill is not expected to have a significant impact on state or local government.

The bill takes effect on July 1, 2025.

II. Present Situation:

Office of Insurance Regulation

CHOICES

The Office of Insurance Regulation (OIR) has an existing rate comparison tool on its website entitled “CHOICES” that provides consumers with rate information for various types of insurance. CHOICES was originally created for homeowner’s insurance and modified to include auto insurance in 2013. The CHOICES homeowner’s rate comparison tool provides sample average rates for a variety of companies writing insurance in each county, in addition to rates for Citizens Property Insurance Corporation. Further enhancements to the system expanded CHOICES to include both Medicare Supplement and small group health insurance. The CHOICES tools for both Medicare Supplement and small group health insurance allow the user to select options and enter specific criteria for calculation of rates for any county located in Florida.¹

The rates provided in the CHOICES system are for illustrative purposes only. The website encourages consumers to contact either an insurance agent or the insurance company for a premium quote based on individual circumstances. Rates for insurers that submitted data as trade secret are not included.²

Transparency in Rate Regulation

The OIR is required to provide the following information with respect to any residential property rate filing on a publicly accessible Internet website:

- The overall rate change requested by the insurer.
- The rate change approved by the OIR along with all of the actuary’s assumptions and recommendations forming the basis of the OIR’s decision.
- Certification by the OIR’s actuary that, based on the actuary’s knowledge, his or her recommendations are consistent with accepted actuarial principles.³

The OIR must provide on its website a means for any policyholder who may be affected by a proposed rate change to send an e-mail to the OIR regarding the proposed rate change. Any such e-mail must be accessible to the actuary assigned to review the rate filing.⁴

Insurer Reporting of Property Insurance Data and other Information to the OIR

Every insurer and insurer group doing business in Florida must file monthly reports with the OIR.⁵ These reports, also known as QUASR reports, must include the following information for each zip code in Florida:

- The total number of policies in force at the end of each month.
- The total number of policies canceled.

¹ <https://floir.com/consumers/choices-rate-comparison-search> (last visited March 21, 2025).

² *Id.*

³ Section 627.0621(2)(a), F.S.

⁴ Section 627.0621(2)(b), F.S.

⁵ Section 624.424(10)(a), F.S.

- The total number of policies nonrenewed.
- The number of policies canceled due to hurricane risk.
- The number of policies nonrenewed due to hurricane risk.
- The number of new policies written.
- The total dollar value of structure exposure under policies that include wind coverage.
- The number of policies that exclude wind coverage.
- The number of claims opened each month.
- The number of claims closed each month.
- The number of claims pending each month.
- The number of claims in which either the insurer or insured invoked any form of alternative dispute resolution, and specifying which form of alternative dispute resolution was used.

The OIR must aggregate this data on a statewide basis and make it publicly available by publishing such on the OIR's website within one month after each quarterly and annual filing.⁶ Such information, when aggregated on a statewide basis, is not a trade secret as defined in s. 688.002(4), F.S., or s. 812.081, F.S., and is not subject to the public records exemption for trade secrets provided in s. 119.0715, F.S.⁷

Department of Financial Services

The Department of Financial Services offers a variety of information and resources on its website to educate consumers regarding insurance and financial topics. Information may be found on homeowner's insurance, automobile insurance, life insurance and annuities, health insurance, and long-term care insurance.⁸ The resources include over 30 consumer guides on specific insurance topics.⁹

III. Effect of Proposed Changes:

The bill amends s. 627.0621, F.S., to provide that, beginning on October 1, 2025, every rate filing for residential property coverage from a property insurer must include a rate transparency report. The OIR may accept the rate transparency report, or if it finds that the report fails to provide the required information in concise and plain language that aids consumers in their understanding of insurance or finds the report to be misleading, the OIR must return the report to the property insurer for modification. The report must be included with any offer of coverage and upon policy renewal. The report must include all of the following percentages, which must total 100 percent, categorized by territory and at the cumulative level:

- The percentage of the total rate factor associated with the cost of reinsurance.
- The percentage of the total rate factor associated with the cost of claims.
- The percentage of the total rate factor associated with defense and containment costs.
- The percentage of the total rate factor associated with fees and commissions.
- The percentage of the total rate factor associated with profit and contingency of the insurer.
- Any other percentages deemed necessary by the OIR or the Financial Services Commission.

⁶ Section 624.424(10)(b), F.S.

⁷ *Id.*

⁸ <https://www.myfloridacfo.com/Division/Consumers/> (last visited March 21, 2025).

⁹ <https://www.myfloridacfo.com/division/consumers/understanding-insurance/guides> (last visited March 21, 2025).

The rate transparency report must also include the following information:

- Any major adverse findings by the OIR for the previous three calendar years.
- Whether the insurer uses affiliated entities to perform functions of the insurer.
- Contact information, including a phone number, hours of service, and e-mail address, for the DFS's Division of Consumer Services.
- Contact information for the OIR.
- The address for the website for public access to rate filing and affiliate information specified in subsection (3).
- Any changes in the total insured value from the last policy period.

The bill revises requirements for the OIR website for public access to rate filing information. The bill provides that the OIR must establish and maintain a comprehensive resource center on the website which uses concise and plain language to aid consumers in their understanding of insurance. The resource center must include substantive information on the current and historical dynamics of the market, available data concerning the financial condition and market conduct of insurance companies, and the insurance coverage choices available to consumers. At a minimum, the resource center must contain the following:

- Reports, using graphical information whenever possible, outlining information about the state of the insurance market and adverse and positive trends affecting it.
- Tools that aid consumers in finding insurers.
- Tools that aid consumers in determining coverages beneficial to them, including, but not limited to:
 - Educational materials that explain the types of coverage in residential property insurance policies;
 - The difference between replacement cost reimbursement and actual cash value reimbursement;
 - A glossary of common terms used in policies; and
 - A comparison of the coverage, terms, conditions, and exclusions contained in different homeowners and dwelling fire forms.
 - Answers to commonly asked questions about residential property insurance coverage.
- Information about mitigation credits and the My Safe Florida Home program, as well as other credits insurers may offer in addition to wind mitigation.
- Access to the rate transparency reports, annual statements, market conduct information, and other information related to each insurer.
- Information on the Citizens Property Insurance Corporation takeout process, the clearinghouse, and general information as reported by the OIR.
- Information on the claims process, including, but not limited to:
 - Clear, step-by-step guidance on how to file a claim, what to expect during the claim process, and timelines for resolution of a claim.
 - The obligations of insurers and insureds related to claim reporting, claim handling, communications regarding claims, claim investigations, claim decisions, and claim payments.
 - For each insurer with active policies in this state, the means by which to report a claim, including any phone numbers, e-mail addresses, and website addresses used for claim reporting.

- Information on consumer protection, including, but not limited to:
 - The rights of insureds under Florida law related to obtaining coverage; coverage renewals, nonrenewals, and cancellations; and mandated offers of coverage.
 - Information on how to file consumer complaints with the Division of Consumer Services in the DFS.
- Information on news and updates relevant to consumers regarding this state's residential property insurance market, including regulatory changes, information on insurers that enter or exit the market, and industry trends.
- Disaster preparedness information directly related to insurance, prepared by the OIR or by the Division of Emergency Management.
- With respect to any residential property rate filing, the OIR must provide the following information on a publicly accessible Internet website:
 - The overall rate change requested by the insurer.
 - The rate change approved by the OIR along with all of the actuary's assumptions and recommendations forming the basis of the OIR's decision.
 - Certification by the OIR's actuary that, based on the actuary's knowledge, his or her recommendations are consistent with accepted actuarial principles.
 - Whether the insurer uses affiliated entities to perform administrative, claims handling, or other functions of the insurer and, if so, the total percentage of direct written premium paid to the affiliated entities by the insurer in the preceding calendar year.

The bill provides that the statewide average requested rate change and final approved statewide average rate change in a filing is not a trade secret as defined in s. 688.002(4), F.S., or s. 812.081, F.S., and is not subject to the public records exemption for trade secrets provided in s. 119.0715, F.S., or s. 624.4213, F.S.

The bill provides that the county rating examples submitted to the OIR through the rate collection system for the purpose of displaying rates on its website is not a trade secret as defined in s. 688.002(4), F.S., or s. 812.081, F.S., and is not subject to the public records exemption for trade secrets provided in s. 119.0715, F.S., or s. 624.4213, F.S.

The bill takes effect on July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill should assist consumers in making decisions when shopping for insurance.

C. Government Sector Impact:

The bill is not expected to impact state or local government. The OIR already uses existing resources making similar information available online.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following section of the Florida Statutes: 627.0621.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Banking and Insurance Committee on March 25, 2025:

The committee substitute made the following changes to the bill as filed:

- Requires that every rate filing for residential property coverage from a property insurer must include a rate transparency report. The report must include, among other information, the percentage breakdown of each cost factor making up the rate.
- Requires the OIR to establish a comprehensive resource center on its website to aid consumers in their understanding of insurance. The resource center must include substantive information on the current and historical dynamics of the market,

available data concerning the financial condition and market conduct of insurance companies, and the insurance coverage choices available to consumers.

- Provides that the statewide average requested rate change and final approved statewide average rate change in a filing, as well as the county rating examples submitted to the OIR through the rate collection system for the purpose of displaying rates on its website, are not a trade secret.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
