Amendment No.

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED   ___ (Y/N)

ADOPTED AS AMENDED   ___ (Y/N)

ADOPTED W/O OBJECTION   ___ (Y/N)

FAILED TO ADOPT   ___ (Y/N)

WITHDRAWN   ___ (Y/N)

OTHER   _____

1 Committee/Subcommittee hearing bill: Insurance & Banking
2 Subcommittee
3 Representative Cassel offered the following:
4
5   **Amendment (with title amendment)**
6   Remove everything after the enacting clause and insert:
7   **Section 1. Section 440.131, Florida Statutes, is**
8 **created to read:**
9   440.131 Mandatory human reviews of claim denials.—
10   (1) As used in this section, the term:
11   (a) "Algorithm" means a clearly specified mathematical
12 process for computation which uses rules designed to give
13 prescribed results.
14   (b) "Artificial intelligence system" means a machine-based
15 system that may have varying levels of autonomy and that can,
16 for a given set of objectives, generate outputs, such as

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17 predictions, recommendations, or content, influencing decisions
18 made in real or virtual environments.
19   (c) "Machine learning system" means an artificial
20 intelligence system that has the ability to learn from provided
21 data without being explicitly programmed.
22   (d) "Qualified human professional" means an individual
23 who, under the Florida Insurance Code, has the authority to
24 adjust or deny a claim or a portion of a claim and may exercise
25 such authority over a particular claim.
26   (2) A carrier may use an algorithm, artificial intelligence
27 system, or machine learning system to assist in processing
28 claims, including generating recommendations to approve or deny
29 a claim or a portion of a claim, in accordance with this
30 section.
31   (3) A decision to reduce a payment of a claim, deny a
32 claim, or deny a portion of a claim or to reduce a claim payment
33 may not be made solely on the basis of an algorithm, artificial
34 intelligence system, or machine learning system. A carrier's
35 decision to deny a claim or any portion of a claim or a payment
36 claim reduction must be made by a qualified human professional.
37   (4) If an algorithm, artificial intelligence system, or
38 machine learning system assists in processing a claim, the
39 qualified human professional must do the following before
40 reducing a claim payment or denying the claim or a portion of
41 the claim:

42   (a)   Analyze the facts of the claim and the terms of the

43 insurance policy independently of any artificial intelligence

44 system, machine learning system, or algorithm.

45   (b)   Review the accuracy of any output generated by such a

46 system or algorithm.

47   (c) Determine that the claim or portion of the claim is not

48 payable under the terms of the insurance policy and should be

49 denied or that the claim payment should be reduced.

50   (5)   A carrier shall maintain detailed records of the

51 actions of qualified human professionals who are required to

52 perform the actions under subsection (3), including:

53   (a)   The name, title, business address, and the unique

54 identifier associated with the name of the qualified human

55 professional who made the decision to reduce the claim payment,

56 deny the claim, or deny a portion of the claim.

57   (b)   The date and time of the qualified human

58 professional's decision.

59   (c)   Documentation of the basis for the reduction of the

60 claim payment, denial of the claim, or denial of a portion of

61 the claim, including any information provided by an algorithm,

62 an artificial intelligence system, or a machine learning system.

63   (6)   In all written denial communications to an injured

64 employee, a carrier shall include:

65   (a) An email address, telephone number, business address,

66 and unique identifier, in lieu of the name of the qualified

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67 human professional who made the decision to reduce the claim

68 payment, deny the claim, or deny a portion of the claim; and

69   (b) A written statement affirming that an algorithm, an

70 artificial intelligence system, or a machine learning system did

71 not serve as the sole basis for determining whether to reduce

72 the claim payment, deny the claim, or deny a portion of the

73 claim.

74   (7) A carrier that uses an algorithm, an artificial

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

76 claims-handling process shall detail in its claims-handling

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

78 manner in which the carrier complies with this section.

79   (8) The department may conduct examinations and

80 investigations it deems necessary to verify compliance with this

81 section.

82   (9) The department may adopt rules to implement this

83 section.

84   (10) Failure to comply with this section shall be

85 considered a violation of this chapter and is subject to

86 penalties as provided for in s. 440.525.

87   **Section 2. Section 627.4263, Florida Statutes, is created**

88 **to read:**

89   627.4263. Mandatory human reviews of claim denials.—

90   (1) As used in this section, the term:

91   (a) "Algorithm" means a clearly specified mathematical

92 process for computation which uses rules designed to give

93 prescribed results.

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

95 system that may have varying levels of autonomy and that can,

96 for a given set of objectives, generate outputs, such as

97 predictions, recommendations, or content, influencing decisions

98 made in real or virtual environments.

99   (c) "Machine learning system" means an artificial

100 intelligence system that has the ability to learn from provided

101 data without being explicitly programmed.

102   (d) "Qualified human professional" means an individual

103 who, under the Florida Insurance Code, has the authority to

104 adjust or deny a claim or a portion of a claim and may exercise

105 such authority over a particular claim.

106   (2) An insurer may use an algorithm, artificial

107 intelligence system, or machine learning system to assist in

108 processing claims, including generating recommendations to

109 approve or deny a claim or a portion of a claim, in accordance

110 with this section.

111   (3) A decision to reduce a payment of a claim, deny a

112 claim, or deny a portion of a claim or to reduce a claim payment

113 may not be made solely on the basis of an algorithm, artificial

114 intelligence system, or machine learning system. An insurer's

115 decision to deny a claim or any portion of a claim or a payment

116 claim reduction must be made by a qualified human professional.

117   (4) If an algorithm, artificial intelligence system, or

118 machine learning system assists in processing a claim, the

119 qualified human professional must do the following before

120 reducing a claim payment, denying the claim or a portion of the

121 claim:

122   (a) Analyze the facts of the claim and the terms of the

123 insurance policy independently of any artificial intelligence

124 system, machine learning system, or algorithm.

125   (b) Review the accuracy of any output generated by such a

126 system or algorithm.

127   (c) Determine that the claim or portion of the claim is not

128 payable under the terms of the insurance policy and should be

129 denied or that the claim payment should be reduced.

130   (5) An insurer shall maintain detailed records of the

131 actions of qualified human professionals who are required to

132 perform the actions under subsection (3), including:

133   (a) The name, title, business address, and the unique

134 identifier associated with the name of the qualified human

135 professional who made the decision to reduce the claim payment,

136 deny the claim, or deny a portion of the claim.

137   (b) The date and time of the qualified human

138 professional's decision.

139   (c) Documentation of the basis for the reduction of the
140 claim payment, denial of the claim, or denial of a portion of
141 the claim, including any information provided by an algorithm,
142 an artificial intelligence system, or a machine learning system.
143   (6) In all written denial communications to an insured, an
144 insurer shall include:
145   (a) An email address, telephone number, business address,
146 and unique identifier, in lieu of the name of the qualified
147 human professional who made the decision to reduce the claim
148 payment, deny the claim, or deny a portion of the claim; and
149   (b) A written statement affirming that an algorithm, an
150 artificial intelligence system, or a machine learning system did
151 not serve as the sole basis for determining whether to reduce
152 the claim payment, deny the claim, or deny a portion of the
153 claim.
154   (7) An insurer that uses an algorithm, an artificial
155 intelligence system, or a machine learning system as part of its
156 claims-handling process shall detail in its claims-handling
157 manual the manner in which such systems are to be used and the
158 manner in which the insurer complies with this section.
159   (8) The office may conduct market conduct examinations and
160 investigations it deems necessary to verify compliance with this
161 section.
162   (9) The commission may adopt rules to implement this
163 section.

164   **Section 3.   Section 641.31090, Florida Statutes, is created**
165 **to read:**
166   641.31090   Mandatory human reviews of claim denials.—
167   (1) As used in this section, the term:
168   (a) "Algorithm" means a clearly specified mathematical
169 process for computation which uses rules designed to give
170 prescribed results.
171   (b) "Artificial intelligence system" means a machine-based
172 system that may have varying levels of autonomy and that can,
173 for a given set of objectives, generate outputs, such as
174 predictions, recommendations, or content, influencing decisions
175 made in real or virtual environments.
176   (c) "Machine learning system" means an artificial
177 intelligence system that has the ability to learn from provided
178 data without being explicitly programmed.
179   (d) "Qualified human professional" means an individual
180 who, under the Florida Insurance Code, has the authority to
181 adjust or deny a claim or a portion of a claim and may exercise
182 such authority over a particular claim.
183   (2) A health maintenance organization may use an algorithm,
184 artificial intelligence system, or machine learning system to
185 assist in processing claims, including generating
186 recommendations to approve or deny a claim or a portion of a
187 claim, in accordance with this section.

188   (3) A decision to reduce a payment of a claim, deny a
189 claim, or deny a portion of a claim or to reduce a claim payment
190 may not be made solely on the basis of an algorithm, artificial
191 intelligence system, or machine learning system. A health
192 maintenance organization's decision to deny a claim or any
193 portion of a claim or a payment claim reduction must be made by
194 a qualified human professional.
195   (4) If an algorithm, artificial intelligence system, or
196 machine learning system assists in processing a claim, the
197 qualified human professional must do the following before
198 reducing a claim payment, denying the claim or a portion of the
199 claim:
200   (a) Analyze the facts of the claim and the terms of the
201 contract independently of any artificial intelligence system,
202 machine learning system, or algorithm.
203   (b) Review the accuracy of any output generated by such a
204 system or algorithm.
205   (c) Determine that the claim or portion of the claim is not
206 payable under the terms of the insurance policy and should be
207 denied or that the claim payment should be reduced.
208   (5) A health maintenance organization shall maintain
209 detailed records of the actions of qualified human professionals
210 who are required to perform the actions under subsection (3),
211 including:

212   (a) The name, title, business address, and the unique
213   identifier associated with the name of the qualified human
214   professional who made the decision to reduce the claim payment,
215   deny the claim, or deny a portion of the claim.
216   (b) The date and time of the qualified human
217   professional's decision.
218   (c) Documentation of the basis for the reduction of the
219   claim payment, denial of the claim, or denial of a portion of
220   the claim, including any information provided by an algorithm,
221   an artificial intelligence system, or a machine learning system.
222   (6) In all written denial communications to a subscriber,
223   a health maintenance organization shall include:
224   (a) An email address, telephone number, business address,
225   and unique identifier, in lieu of the name of the qualified
226   human professional who made the decision to reduce the claim
227   payment, deny the claim, or deny a portion of the claim; and
228   (b) A written statement affirming that an algorithm, an
229   artificial intelligence system, or a machine learning system did
230   not serve as the sole basis for determining whether to reduce
231   the claim payment, deny the claim, or deny a portion of the
232   claim.
233   (7) A health maintenance organization that uses an
234   algorithm, an artificial intelligence system, or a machine
235   learning system as part of its claims-handling process shall
236   detail in its claims-handling manual the manner in which such

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237 systems are to be used and the manner in which the health
238 maintenance organization complies with this section.
239   (8) The office may conduct market conduct examinations and
240 investigations or use any method it deems necessary to verify
241 compliance with this section.
242   (9) The commission may adopt rules to implement this
243 section.
244   **Section 4.** This act shall take effect July 1, 2026.
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247   **T I T L E   A M E N D M E N T**
248 Remove everything before the enacting clause and insert:
249   An act relating to mandatory human reviews of
250   insurance claim denials; creating s. 440.131, F.S.;
251   defining terms; allowing workers' compensation
252   carriers to use algorithms, artificial intelligence
253   systems, and machine learning systems to assist in
254   processing claims; prohibiting the use of algorithms,
255   artificial intelligence, or machine learning systems
256   as the sole basis for determining whether to reduce a
257   claim payment or deny a claim; requiring that
258   carriers' decisions to deny a claim or reduce a claim
259   be made by qualified human professionals; specifying
260   the duties of qualified human professionals; requiring
261   a carrier to maintain certain records; requiring

262   carriers to include certain information in denial

263   communications to claimants; requiring that certain

264   carriers detail certain information in their claims-

265   handling manual; authorizing the Department of

266   Financial Services to adopt rules; providing

267   penalties; creating s. 627.4263, F.S.; defining terms;

268   allowing insurers to use algorithms, artificial

269   intelligence systems, and machine learning systems to

270   assist in processing claims; prohibiting the use of

271   algorithms, artificial intelligence, or machine

272   learning systems as the sole basis for determining

273   whether to reduce a claim payment or deny a claim;

274   requiring that insurers' decisions to deny a claim or

275   reduce a claim be made by qualified human

276   professionals; specifying the duties of qualified

277   human professionals; requiring an insurer to maintain

278   certain records; requiring insurers to include certain

279   information in denial communications to claimants;

280   requiring that certain insurers detail certain

281   information in their claims-handling manual;

282   authorizing the Office of Insurance Regulation to

283   conduct market conduct examinations and investigations

284   under certain circumstances; authorizing the Financial

285   Services Commission to adopt rules; creating s.

286   641.31090, F.S.; defining terms; allowing health

287   maintenance organizations to use algorithms,
288   artificial intelligence systems, and machine learning
289   systems to assist in processing claims; prohibiting
290   the use of algorithms, artificial intelligence, or
291   machine learning systems as the sole basis for
292   determining whether to reduce a claim payment or deny
293   a claim; requiring that health maintenance
294   organizations' decisions to deny a claim or reduce a
295   claim be made by qualified human professionals;
296   specifying the duties of qualified human
297   professionals; requiring a health maintenance
298   organization to maintain certain records; requiring
299   health maintenance organizations to include certain
300   information in denial communications to claimants;
301   requiring that certain health maintenance
302   organizations detail certain information in their
303   claims-handling manual; authorizing the Office of
304   Insurance Regulation to conduct market conduct
305   examinations and investigations under certain
306   circumstances; authorizing the Financial Services
307   Commission to adopt rules; providing an effective
308   date.