A bill to be entitled

An act relating to mandatory human reviews of insurance claim denials; creating s. 627.4263, F.S.; defining terms; requiring that insurers' decisions to deny a claim or any portion of a claim be made by qualified human professionals; specifying the duties of qualified human professionals; requiring an insurer to maintain certain records; prohibiting the use of algorithms, artificial intelligence, or machine learning systems as the sole basis for determining whether to adjust or deny a claim; requiring insurers to include certain information in denial communications to claimants; requiring that certain insurers detail certain information in their claims-handling manual; authorizing the Office of Insurance Regulation to conduct market conduct examinations and investigations under certain circumstances; authorizing the Financial Services Commission to adopt rules; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 627.4263, Florida Statutes, is created to read:

627.4263 Mandatory human reviews of claim denials.—

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

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

(b) "Artificial intelligence system" means a machine-based system that may have varying levels of autonomy and that can, for a given set of objectives, generate outputs, such as predictions, recommendations, or content, influencing decisions made in real or virtual environments.

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

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

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

(3) A qualified human professional shall, before determining whether to adjust or deny a claim or a portion of a claim, do all of the following:

(a) Analyze the facts of the claim and the terms of the insurance policy independently of any artificial intelligence system, machine learning system, or algorithm.

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

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

(4) An insurer shall maintain detailed records of the actions of qualified human professionals who are required to perform the actions under subsection (3), including:

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

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

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

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

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

(a) Clearly identify the qualified human professional who made the decision to deny the claim or a portion of the claim; and

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

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

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

(9) The commission may adopt rules to implement this section.

Section 2. This act shall take effect July 1, 2026.