

1 A bill to be entitled
2 An act relating to mandatory human reviews of
3 insurance claim denials; creating s. 440.131, F.S.;
4 defining terms; authorizing workers' compensation
5 carriers to use algorithms, artificial intelligence
6 systems, and machine learning systems to assist in
7 processing claims; prohibiting the use of algorithms,
8 artificial intelligence, or machine learning systems
9 as the sole basis for determining whether to reduce a
10 claim payment or deny a claim or portion of a claim;
11 requiring that carriers' decisions to deny a claim or
12 portion of a claim or reduce a claim be made by
13 qualified human professionals; specifying the duties
14 of qualified human professionals; requiring a carrier
15 to maintain certain records; requiring carriers to
16 include certain information in denial communications
17 to claimants; requiring that certain carriers detail
18 certain information in their claims-handling manual;
19 authorizing the Department of Financial Services to
20 conduct examinations and investigations under certain
21 circumstances and to adopt rules; providing penalties;
22 creating s. 627.4263, F.S.; defining terms;
23 authorizing insurers to use algorithms, artificial
24 intelligence systems, and machine learning systems to
25 assist in processing claims; prohibiting the use of

26 algorithms, artificial intelligence, or machine
27 learning systems as the sole basis for determining
28 whether to reduce a claim payment or deny a claim or
29 portion of a claim; requiring that insurers' decisions
30 to deny a claim or portion of a claim or reduce a
31 claim be made by qualified human professionals;
32 specifying the duties of qualified human
33 professionals; requiring an insurer to maintain
34 certain records; requiring insurers to include certain
35 information in denial communications to claimants;
36 requiring that certain insurers detail certain
37 information in their claims-handling manual;
38 authorizing the Office of Insurance Regulation to
39 conduct market conduct examinations and investigations
40 under certain circumstances; authorizing the Financial
41 Services Commission to adopt rules; creating s.
42 641.31091, F.S.; defining terms; authorizing health
43 maintenance organizations to use algorithms,
44 artificial intelligence systems, and machine learning
45 systems to assist in processing claims; prohibiting
46 the use of algorithms, artificial intelligence, or
47 machine learning systems as the sole basis for
48 determining whether to reduce a claim payment or deny
49 a claim or portion of a claim; requiring that health
50 maintenance organizations' decisions to deny a claim

51 or reduce a claim or portion of a claim be made by
52 qualified human professionals; specifying the duties
53 of qualified human professionals; requiring a health
54 maintenance organization to maintain certain records;
55 requiring health maintenance organizations to include
56 certain information in denial communications to
57 claimants; requiring that certain health maintenance
58 organizations detail certain information in their
59 claims-handling manual; authorizing the office to
60 conduct market conduct examinations and investigations
61 under certain circumstances; authorizing the
62 commission to adopt rules; providing an effective
63 date.

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

66
67 **Section 1. Section 440.131, Florida Statutes, is created**
68 **to read:**

69 440.131 Mandatory human reviews of claim denials.—

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

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

74 (b) "Artificial intelligence system" means a machine-based
75 system that may have varying levels of autonomy and that can,

76 for a given set of objectives, generate outputs, such as
77 predictions, recommendations, or content, influencing decisions
78 made in real or virtual environments.

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

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

86 (2) A carrier may use an algorithm, an artificial
87 intelligence system, or a machine learning system to assist in
88 processing claims, including generating recommendations to
89 approve or deny a claim or a portion of a claim, in accordance
90 with this section.

91 (3) A decision to reduce a claim payment or deny a claim
92 or a portion of a claim may not be made solely on the basis of
93 an algorithm, an artificial intelligence system, or a machine
94 learning system. A carrier's decision to reduce a claim payment
95 or deny a claim or a portion of a claim must be made by a
96 qualified human professional.

97 (4) If an algorithm, an artificial intelligence system, or
98 a machine learning system assists in processing a claim, the
99 qualified human professional must do all of the following before
100 reducing a claim payment or denying the claim or a portion of

101 the claim:

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

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

107 (c) Determine that the claim or portion of the claim is
108 not payable under the terms of the insurance policy and should
109 be denied or that the claim payment should be reduced.

110 (5) A carrier shall maintain detailed records of the
111 actions of qualified human professionals who are required to
112 perform the actions under subsection (4), including:

113 (a) The name, the title, the business address, and the
114 unique identifier associated with the name of the qualified
115 human professional who made the decision to reduce the claim
116 payment or deny the claim or a portion of the claim.

117 (b) The date and time of the qualified human
118 professional's decision.

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

123 (6) In all written denial communications to an injured
124 employee, a carrier shall include:

125 (a) An e-mail address, a telephone number, a business

126 address, and a unique identifier, in lieu of the name of the
127 qualified human professional who made the decision to reduce the
128 claim payment or deny the claim or a portion of the claim; and

129 (b) A written statement affirming that an algorithm, an
130 artificial intelligence system, or a machine learning system did
131 not serve as the sole basis for determining whether to reduce
132 the claim payment or deny the claim or a portion of the claim.

133 (7) A carrier that uses an algorithm, an artificial
134 intelligence system, or a machine learning system as part of its
135 claims-handling process shall detail in its claims-handling
136 manual the manner in which such algorithms or systems are to be
137 used and the manner in which the carrier complies with this
138 section.

139 (8) The department may conduct examinations and
140 investigations it deems necessary to verify compliance with this
141 section.

142 (9) The department may adopt rules to implement this
143 section.

144 (10) Failure to comply with this section shall be
145 considered a violation of this chapter and is subject to
146 penalties as provided for in s. 440.525.

147 **Section 2. Section 627.4263, Florida Statutes, is created**
148 **to read:**

149 627.4263 Mandatory human reviews of claim denials.—

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

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

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

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

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

166 (2) An insurer may use an algorithm, artificial
167 intelligence system, or machine learning system to assist in
168 processing claims, including generating recommendations to
169 approve or deny a claim or a portion of a claim, in accordance
170 with this section.

171 (3) A decision to reduce a claim payment or deny a claim
172 or a portion of a claim may not be made solely on the basis of
173 an algorithm, an artificial intelligence system, or a machine
174 learning system. An insurer's decision to reduce a claim payment
175 or deny a claim or a portion of a claim must be made by a

176 qualified human professional.

177 (4) If an algorithm, an artificial intelligence system, or
178 a machine learning system assists in processing a claim, the
179 qualified human professional must do all of the following before
180 reducing a claim payment or denying the claim or a portion of
181 the claim:

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

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

187 (c) Determine that the claim or portion of the claim is
188 not payable under the terms of the insurance policy and should
189 be denied or that the claim payment should be reduced.

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

193 (a) The name, the title, the business address, and the
194 unique identifier associated with the name of the qualified
195 human professional who made the decision to reduce the claim
196 payment or deny the claim or a portion of the claim.

197 (b) The date and time of the qualified human
198 professional's decision.

199 (c) Documentation of the basis for the reduction of the
200 claim payment or denial of the claim or a portion of the claim,

201 including any information provided by an algorithm, an
202 artificial intelligence system, or a machine learning system.

203 (6) In all written denial communications to an insured, an
204 insurer shall include:

205 (a) An e-mail address, a telephone number, a business
206 address, and a unique identifier, in lieu of the name of the
207 qualified human professional who made the decision to reduce the
208 claim payment or deny the claim or a portion of the claim; and

209 (b) A written statement affirming that an algorithm, an
210 artificial intelligence system, or a machine learning system did
211 not serve as the sole basis for determining whether to reduce
212 the claim payment or deny the claim or a portion of the claim.

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

219 (8) The office may conduct market conduct examinations and
220 investigations it deems necessary to verify compliance with this
221 section.

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

224 **Section 3. Section 641.31091, Florida Statutes, is created**
225 **to read:**

226 641.31091 Mandatory human reviews of claim denials.—

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

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

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

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

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

243 (2) A health maintenance organization may use an
244 algorithm, an artificial intelligence system, or a machine
245 learning system to assist in processing claims, including
246 generating recommendations to approve or deny a claim or a
247 portion of a claim, in accordance with this section.

248 (3) A decision to reduce a claim payment or deny a claim
249 or a portion of a claim may not be made solely on the basis of
250 an algorithm, artificial intelligence system, or machine

251 learning system. A health maintenance organization's decision to
252 reduce a claim payment or deny a claim or a portion of a claim
253 must be made by a qualified human professional.

254 (4) If an algorithm, an artificial intelligence system, or
255 a machine learning system assists in processing a claim, the
256 qualified human professional must do all of the following before
257 reducing a claim payment or denying the claim or a portion of
258 the claim:

259 (a) Analyze the facts of the claim and the terms of the
260 health maintenance contract independently of any artificial
261 intelligence system, machine learning system, or algorithm.

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

264 (c) Determine that the claim or portion of the claim is
265 not payable under the terms of the health maintenance contract
266 and should be denied or that the claim payment should be
267 reduced.

268 (5) A health maintenance organization shall maintain
269 detailed records of the actions of qualified human professionals
270 who are required to perform the actions under subsection (4),
271 including:

272 (a) The name, the title, the business address, and the
273 unique identifier associated with the name of the qualified
274 human professional who made the decision to reduce the claim
275 payment or deny the claim or a portion of the claim.

276 (b) The date and time of the qualified human
277 professional's decision.

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

282 (6) In all written denial communications to a subscriber,
283 a health maintenance organization shall include:

284 (a) An e-mail address, a telephone number, a business
285 address, and a unique identifier, in lieu of the name of the
286 qualified human professional who made the decision to reduce the
287 claim payment or deny the claim or a portion of the claim; and

288 (b) A written statement affirming that an algorithm, an
289 artificial intelligence system, or a machine learning system did
290 not serve as the sole basis for determining whether to reduce
291 the claim payment or deny the claim or a portion of the claim.

292 (7) A health maintenance organization that uses an
293 algorithm, an artificial intelligence system, or a machine
294 learning system as part of its claims-handling process shall
295 detail in its claims-handling manual the manner in which such
296 algorithms or systems are to be used and the manner in which the
297 health maintenance organization complies with this section.

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

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

303 **Section 4.** This act shall take effect July 1, 2026.