

By Senator Gaetz

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A bill to be entitled  
An act relating to required reports of the Office of Insurance Regulation; amending s. 624.315, F.S.; providing legislative findings; requiring the office to create specified reports on insurers, licensees, registrants, and their related entities, including the compensation of their executive officers; specifying requirements for such reports; requiring the office to publish the reports annually on its website and submit the reports annually to specified entities; requiring the office to use a reliable and up-to-date methodology and software to create specified reports and review such methodology and software for accuracy; specifying that certain data are not considered trade secrets and may be used for certain purposes; prohibiting insurers from withholding certain data from the office on certain grounds; amending s. 627.062, F.S.; revising the facts the office must consider in determining whether a rate is excessive, inadequate, or unfairly discriminatory; providing an effective date.

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

Section 1. Present paragraph (c) of subsection (4) of section 624.315, Florida Statutes, is redesignated as paragraph (d), and a new paragraph (c) is added to that subsection, to read:

624.315 Annual reports; quarterly reports.—

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(4)

(c)1. The Legislature finds that the state has a strong and legitimate financial interest in the health and performance of the property and casualty insurance market. Further, the costs of property insurance may have a strong impact on the performance of Florida's housing market, to the benefit or detriment of Florida residents. Therefore, it is in the interest of Floridians that the office collect and analyze data regarding market conduct and performance.

2. The office shall create a report that, for each insurer, licensee, or registrant, provides a list of related entities, including, but not limited to, subsidiaries, management companies, captive vendors, and reinsurers which share common executive officers, directors, or offices or at least 10 percent common ownership with the insurer, licensee, or registrant. The report must also detail the financial relationship between the entities. The office shall publish the report on its website and submit it to the commission, the President of the Senate, the Speaker of the House of Representatives, and the legislative committees with jurisdiction over matters of insurance on or before January 31 of each year.

3. The office shall create a report detailing the compensation of executive officers for each insurer, licensee, or registrant, including, but not limited to, salaries, benefits, stock options, bonuses, stock buybacks, and other taxable payments, expressed both as dollar amounts and as a percentage of the entity's total revenue. The report must include the profits and losses of each entity as reported in its financial statements and highlight any compensation exceeding

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the industry average. The office shall also include in the report any rationale provided by the insurer justifying compensation exceeding the industry average. The office shall publish the report on its website and submit it to the commission, the President of the Senate, the Speaker of the House of Representatives, and the legislative committees with jurisdiction over matters of insurance on or before January 31 of each year.

4. To create the reports required under subparagraphs 2. and 3., the office shall use a reliable and up-to-date methodology and software and shall routinely review such methodology and software for accuracy.

5. Any data provided by insurers to the office under this paragraph are not considered trade secrets under s. 812.081, and the office may use such data for market analysis, financial assessments, rate-setting, and compliance reviews. Insurers may not withhold any financial or other data requested by the office under this paragraph as being business sensitive or trade secrets.

Section 2. Paragraph (b) of subsection (2) of section 627.062, Florida Statutes, is amended to read:

627.062 Rate standards.—

(2) As to all such classes of insurance:

(b) Upon receiving a rate filing, the office shall review the filing to determine whether ~~if~~ a rate is excessive, inadequate, or unfairly discriminatory. In making that determination, the office shall, in accordance with generally accepted and reasonable actuarial techniques, consider the following factors:

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88 1. Past and prospective loss experience within and without  
89 this state.

90 2. Past and prospective expenses.

91 3. The degree of competition among insurers for the risk  
92 insured.

93 4. Investment income reasonably expected by the insurer,  
94 consistent with the insurer's investment practices, from  
95 investable premiums anticipated in the filing, plus any other  
96 expected income from currently invested assets representing the  
97 amount expected on unearned premium reserves and loss reserves.  
98 The commission may adopt rules using reasonable techniques of  
99 actuarial science and economics to specify the manner in which  
100 insurers calculate investment income attributable to classes of  
101 insurance written in this state and the manner in which  
102 investment income is used to calculate insurance rates. Such  
103 manner must contemplate allowances for an underwriting profit  
104 factor and full consideration of investment income that produces  
105 a reasonable rate of return; however, investment income from  
106 invested surplus may not be considered.

107 5. The reasonableness of the judgment reflected in the  
108 filing.

109 6. Dividends, savings, or unabsorbed premium deposits  
110 allowed or returned to policyholders, members, or subscribers in  
111 this state.

112 7. The adequacy of loss reserves.

113 8. The cost of reinsurance. The office may not disapprove a  
114 rate as excessive solely due to the insurer having obtained  
115 catastrophic reinsurance to cover the insurer's estimated 250-  
116 year probable maximum loss or any lower level of loss.

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117 9. Trend factors, including trends in actual losses per  
118 insured unit for the insurer making the filing.

119 10. Conflagration and catastrophe hazards, if applicable.

120 11. Projected hurricane losses, if applicable, which must  
121 be estimated using a model or method found to be acceptable or  
122 reliable by the Florida Commission on Hurricane Loss Projection  
123 Methodology, and as further provided in s. 627.0628.

124 12. Projected flood losses for personal residential  
125 property insurance, if applicable, which may be estimated using  
126 a model or method, or a straight average of model results or  
127 output ranges, independently found to be acceptable or reliable  
128 by the Florida Commission on Hurricane Loss Projection  
129 Methodology and as further provided in s. 627.0628.

130 13. A reasonable margin for underwriting profit and  
131 contingencies.

132 14. The cost of medical services, if applicable.

133 15. Any report created by the office pursuant to s.  
134 624.315(4)(c)3.

135 16. Other relevant factors that affect the frequency or  
136 severity of claims or expenses.

137  
138 The provisions of this subsection do not apply to workers'  
139 compensation, employer's liability insurance, and motor vehicle  
140 insurance.

141 Section 3. This act shall take effect July 1, 2026.