

By the Committee on Banking and Insurance; and Senator Truenow

597-02498-26

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A bill to be entitled  
An act relating to workers' compensation insurance;  
amending s. 627.171, F.S.; specifying that an insurer  
may use excess rates only under certain circumstances;  
amending s. 631.912, F.S.; revising the composition of  
the board of directors of the Florida Workers'  
Compensation Insurance Guaranty Association; providing  
an effective date.

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

Section 1. Subsection (2) of section 627.171, Florida  
Statutes, is amended to read:

627.171 Excess rates.—

(2)(a) An insurer may ~~not~~ use excess rates pursuant to this  
section, only as follows:

1. For no more than 10 percent of its commercial insurance  
policies written or renewed in each calendar year for any line  
of commercial insurance, other than workers' compensation.

2. For no more than 20 percent of its workers' compensation  
insurance policies written or renewed in each calendar year. ~~or~~

3. For no more than 5 percent of its personal lines  
insurance policies written or renewed in each calendar year for  
any line of personal insurance.

(b) In determining the 20 percent ~~10-percent~~ limitation for  
workers' compensation ~~commercial~~ insurance policies, the insurer  
shall exclude any workers' compensation policy that was written  
for an employer who had coverage in the joint underwriting plan  
created by s. 627.311(5) immediately before ~~prior to~~ the writing

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of the policy by the insurer and any workers' compensation policy that was written for an employer who had been offered coverage in the joint underwriting plan but who was written a policy by the insurer in lieu of accepting the joint underwriting plan policy. Such ~~These~~ workers' compensation policies must ~~shall~~ be excluded from the 20 percent ~~10 percent~~ limitation for the first 3 years of coverage.

Section 2. Subsection (1) of section 631.912, Florida Statutes, is amended to read:

631.912 Board of directors.—

(1) The board of directors of the corporation shall be composed ~~consist~~ of 11 persons, 1 of whom is the insurance consumer advocate appointed under s. 627.0613 or his or her designee and 1 of whom is designated by the Chief Financial Officer. The department shall appoint to the board 6 persons selected by private carriers from among the 20 workers' compensation insurers with the largest amount of direct written premium as determined by the department, one person nominated by a statewide trade association representing Florida employers, which is designated by the Chief Financial Officer, and one person nominated by the largest property and casualty insurance agents association in this state. The Chief Financial Officer may appoint ~~and 2 persons selected by the self-insurance funds or~~ other persons with experience in workers' compensation insurance to the board to serve in place of a nominee of either association ~~as determined by the Chief Financial Officer~~. These appointments are deemed to be within the scope of the exemption provided in s. 112.313(7)(b). The Governor shall appoint one person who has commercial insurance experience. At least two of

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the private carriers shall be foreign carriers authorized to do business in this state. The board shall elect a chair ~~chairperson~~ from among its members. The Chief Financial Officer may remove any board member for cause. Each board member shall be appointed to serve a 4-year term and may be reappointed. A vacancy on the board must ~~shall~~ be filled for the remaining period of the term in the same manner by which the original appointment was made.

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