

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

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

39 631.912 Board of directors.—

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

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

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