

1                   A bill to be entitled  
2           An act relating to court judgment interest rates and  
3           insurance reports and practices; amending s. 55.03,  
4           F.S.; revising the calculation that the Chief  
5           Financial Officer performs to set the rate of interest  
6           payable on judgments or decrees; amending s. 624.315,  
7           F.S.; providing legislative findings; requiring the  
8           Office of Insurance Regulation of the Financial  
9           Services Commission to create specified reports on  
10          insurance-related entities and compensation of  
11          executive officers for insurers, licensees, and  
12          registrants; specifying requirements for such reports;  
13          requiring the office to publish the reports annually  
14          on its website and submit the reports annually to  
15          specified entities; requiring the office to use  
16          reliable and up-to-date methodology and software to  
17          create specified reports and review such and software  
18          for accuracy; specifying that certain data is not  
19          considered a trade secret and may be used for certain  
20          purposes; prohibiting insurers from withholding  
21          certain data from the office under certain  
22          circumstances; amending s. 627.062, F.S.; revising the  
23          factors the office must consider in determining  
24          whether an insurance rate is excessive, inadequate, or  
25          unfairly discriminatory; amending s. 627.70131, F.S.;

26 requiring property insurers to send policyholders a  
27 written estimate of the amount of loss under certain  
28 circumstances; specifying certain requirements for  
29 insurers when creating and sending such estimates;  
30 prohibiting insureds and insurers from waiving such  
31 requirements; amending s. 627.7015, F.S.; conforming  
32 provisions to changes made by the act and conforming a  
33 cross-reference; amending s. 627.70152, F.S.; revising  
34 the manner in which a property insurer must respond to  
35 a notice to initiate litigation; requiring a claimant  
36 and insurer to participate in mandatory mediation  
37 under certain circumstances; requiring the court to  
38 determine attorney fees in a specified manner for  
39 cases arising from a property insurance dispute;  
40 providing applicability; authorizing the office to  
41 impose penalties for violations of certain provisions;  
42 amending s. 627.70154, F.S.; requiring property  
43 insurers to disclose to policyholders the dollar  
44 amount of a credit or premium discount for a mandatory  
45 binding arbitration endorsement; reenacting ss.  
46 627.151(1), 627.715(3)(b), and 627.7151(9)(b), F.S.,  
47 relating to workers' compensation or employer's  
48 liability insurance filings, flood insurance, and  
49 sinkhole coverage insurance, respectively, to  
50 incorporate the amendment made to s. 627.062, F.S., in

51 references thereto; providing an effective date.

52

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

54

55 **Section 1. Subsection (1) of section 55.03, Florida**  
 56 **Statutes, is amended to read:**

57 55.03 Judgments; rate of interest, generally.—

58 (1) On December 1, March 1, June 1, and September 1 of  
 59 each year, the Chief Financial Officer shall set the rate of  
 60 interest ~~that shall be~~ payable on judgments or decrees for the  
 61 calendar quarter beginning January 1 and adjust the rate  
 62 quarterly on April 1, July 1, and October 1 by averaging the  
 63 discount rate of the Federal Reserve Bank of New York for the  
 64 preceding 12 months, then adding 800 ~~400~~ basis points to the  
 65 averaged federal discount rate. The Chief Financial Officer  
 66 shall inform the clerk of the courts and chief judge for each  
 67 judicial circuit of the rate that has been established for the  
 68 upcoming quarter. The interest rate established by the Chief  
 69 Financial Officer takes ~~shall take~~ effect on the first day of  
 70 each following calendar quarter. Judgments obtained on or after  
 71 January 1, 1995, must ~~shall~~ use the previous statutory rate for  
 72 time periods before January 1, 1995, for which interest is due  
 73 and must ~~shall~~ apply the rate set by the Chief Financial Officer  
 74 for time periods after January 1, 1995, for which interest is  
 75 due. This subsection does not ~~Nothing contained herein shall~~

76 affect a rate of interest established by written contract or  
 77 obligation.

78 **Section 2. Present paragraph (c) of subsection (4) of**  
 79 **section 624.315, Florida Statutes, is redesignated as paragraph**  
 80 **(d), and a new paragraph (c) is added to that subsection, to**  
 81 **read:**

82 624.315 Annual reports; quarterly reports.—

83 (4)

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

92 2. The office shall create a report that, for each  
 93 insurer, licensee, or registrant, provides a list of related  
 94 entities, including, but not limited to, subsidiaries,  
 95 management companies, captive vendors, and reinsurers, which  
 96 share common executive officers, directors, or offices or at  
 97 least 10 percent common ownership with the insurer, licensee, or  
 98 registrant. The report must also detail the financial  
 99 relationship between the entities. The office shall publish the  
 100 report on its website and submit it to the commission, the

101 President of the Senate, the Speaker of the House of  
102 Representatives, and the legislative committees with  
103 jurisdiction over matters of insurance on or before January 31  
104 of each year.

105 3. The office shall create a report detailing the  
106 compensation of executive officers for each insurer, licensee,  
107 or registrant, including, but not limited to, salaries,  
108 benefits, stock options, bonuses, stock buybacks, and other  
109 taxable payments, expressed both as dollar amounts and as a  
110 percentage of the entity's total revenue. The report must  
111 include the profits and losses of each entity as reported in its  
112 financial statements and highlight any compensation exceeding  
113 the industry average. The office shall also include in the  
114 report any rationale provided by the insurer justifying  
115 compensation exceeding the industry average and, for each  
116 insurer, an explanation of how specific data gathered during the  
117 creation of the report informed the office's decisions on that  
118 insurer's rate change requests. The office shall publish the  
119 report on its website and submit it to the commission, the  
120 President of the Senate, the Speaker of the House of  
121 Representatives, and the legislative committees with  
122 jurisdiction over matters of insurance on or before January 31  
123 of each year.

124 4. To create the reports required under subparagraphs 2.  
125 and 3., the office shall use reliable and up-to-date methodology

126 and software and shall routinely review such methodology and  
127 software for accuracy.

128 5. Any data provided by insurers to the office under this  
129 paragraph is not considered a trade secret under s. 812.081, and  
130 the office may use such data for market analysis, financial  
131 assessments, rate-setting, and compliance reviews. Insurers may  
132 not withhold any financial and other data requested by the  
133 office under this paragraph as being business sensitive or a  
134 trade secret.

135 **Section 3. Paragraph (b) of subsection (2) of section**  
136 **627.062, Florida Statutes, is amended to read:**

137 627.062 Rate standards.—

138 (2) As to all such classes of insurance:

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

145 1. Past and prospective loss experience within and without  
146 this state.

147 2. Past and prospective expenses.

148 3. The degree of competition among insurers for the risk  
149 insured.

150 4. Investment income reasonably expected by the insurer,

151 consistent with the insurer's investment practices, from  
152 investable premiums anticipated in the filing, plus any other  
153 expected income from currently invested assets representing the  
154 amount expected on unearned premium reserves and loss reserves.  
155 The commission may adopt rules using reasonable techniques of  
156 actuarial science and economics to specify the manner in which  
157 insurers calculate investment income attributable to classes of  
158 insurance written in this state and the manner in which  
159 investment income is used to calculate insurance rates. Such  
160 manner must contemplate allowances for an underwriting profit  
161 factor and full consideration of investment income that produces  
162 a reasonable rate of return; however, investment income from  
163 invested surplus may not be considered.

164 5. The reasonableness of the judgment reflected in the  
165 filing.

166 6. Dividends, savings, or unabsorbed premium deposits  
167 allowed or returned to policyholders, members, or subscribers in  
168 this state.

169 7. The adequacy of loss reserves.

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

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

176 10. Conflagration and catastrophe hazards, if applicable.

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

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

187 13. A reasonable margin for underwriting profit and  
 188 contingencies.

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

190 15. Any report created by the office pursuant to s.  
 191 624.315(4).

192 16. Other relevant factors that affect the frequency or  
 193 severity of claims or expenses.

194  
 195 The provisions of this subsection do not apply to workers'  
 196 compensation, employer's liability insurance, and motor vehicle  
 197 insurance.

198 **Section 4. Paragraph (e) of subsection (3) of section**  
 199 **627.70131, Florida Statutes, is amended to read:**

200 627.70131 Insurer's duty to acknowledge communications



201 regarding claims; investigation.-

202 (3)

203 (e)1. The insurer shall ~~must~~ send the policyholder a  
204 written copy of any detailed estimate of the amount of the loss  
205 within 7 days after the estimate is generated by an insurer's  
206 adjuster. This paragraph does not require that an insurer create  
207 a detailed estimate of the amount of the loss if such estimate  
208 is not reasonably necessary as part of the claim investigation.

209 2. When creating and sending the written loss estimate as  
210 required under subparagraph 1., the insurer shall comply with  
211 all of the following:

212 a. Adjusters shall use an electronic estimating program to  
213 create or modify loss estimates. Such program must generate an  
214 itemized, per-unit estimate of loss to the property, including,  
215 but not limited to, any loss of equipment, materials, labor, or  
216 supplies. The program must also generate price data that  
217 consists of unit-cost breakdowns consistent with contractor or  
218 repair company rates in the relevant geographic market area. The  
219 price data used by the program must be updated at least monthly  
220 to reflect current market data.

221 b. An adjuster may not modify price data unless the  
222 adjuster documents that such modification is necessary for an  
223 accurate estimate and reflects current market data. If the  
224 adjuster modifies the loss estimate to reflect actual cash value  
225 due to depreciation, such modification must be identified in a

226 separate line item.

227 c. An adjuster may not modify a loss estimate unless the  
 228 modified estimate meets all of the following requirements:

229 (I) Clearly identifies all the modifications made to the  
 230 original estimate.

231 (II) Provides a detailed explanation for each  
 232 modification.

233 (III) Specifies the identity of the adjuster who makes  
 234 each modification.

235 d. If an adjuster modifies the loss estimate pursuant to  
 236 sub-subparagraph c., the insurer must ensure that all versions  
 237 of the loss estimate are retained for at least 7 years after the  
 238 claim is resolved.

239 3. The insurer or insured may not waive any requirements  
 240 of subparagraph 2.

241 **Section 5. Subsection (2) of section 627.7015, Florida**  
 242 **Statutes, is amended to read:**

243 627.7015 Alternative procedure for resolution of disputed  
 244 property insurance claims.—

245 (2) At the time of issuance and renewal of a policy or at  
 246 the time a first-party claim within the scope of this section is  
 247 filed by the policyholder, the insurer shall notify the  
 248 policyholder of its right to participate in the mediation  
 249 program under this section. A claim becomes eligible for  
 250 mediation after the insurer complies with s. 627.70131(7) ~~or~~

251 ~~elects to reinspect pursuant to s. 627.70152(4)(a)3.~~ If the  
252 insurer has not complied with s. 627.70131(7) ~~or elected to~~  
253 ~~reinspect pursuant to s. 627.70152(4)(a)3.~~ within 90 days after  
254 notice of the loss, the insurer may not require mediation under  
255 this section. This subsection does not impair the right of an  
256 insurance company to request mediation after a determination of  
257 coverage pursuant to this section or require appraisal or  
258 another method of alternative dispute resolution pursuant to s.  
259 627.70152(4)(c) ~~s. 627.70152(4)(b)~~. The department shall prepare  
260 a consumer information pamphlet for distribution to persons  
261 participating in mediation.

262 **Section 6. Subsection (4) of section 627.70152, Florida**  
263 **Statutes, is amended, and subsections (8) and (9) are added to**  
264 **that section, to read:**

265 627.70152 Suits arising under a property insurance  
266 policy.—

267 (4) INSURER DUTIES.—An insurer must have a procedure for  
268 the prompt investigation, review, and evaluation of the dispute  
269 stated in the notice and must investigate each claim contained  
270 in the notice in accordance with the Florida Insurance Code. An  
271 insurer shall ~~must~~ respond in writing within 10 business days  
272 after receiving the notice specified in subsection (3). The  
273 insurer must provide the response to the claimant by e-mail if  
274 the insured has designated an e-mail address in the notice.

275 (a) If an insurer is responding to a notice served on the

276 insurer following a denial of coverage by the insurer, the  
277 insurer must respond by:

- 278 1. Accepting the presuit settlement demand coverage;  
279 2. Making a counteroffer to the presuit settlement demand  
280 Continuing to deny coverage; or  
281 3. Providing a statement that indicates the insurer is  
282 declining to respond to the notice Asserting the right to  
283 reinspect the damaged property. If the insurer responds by  
284 asserting the right to reinspect the damaged property, it has 14  
285 business days after the response asserting that right to  
286 reinspect the property and accept or continue to deny coverage.  
287 The time limits provided in s. 95.11 are tolled during the  
288 reinspection period if such time limits expire before the end of  
289 the reinspection period. If the insurer continues to deny  
290 coverage, the claimant may file suit without providing  
291 additional notice to the insurer.

292 (b) After the response provided under paragraph (a), and  
293 before initiating litigation, the claimant and insurer must  
294 participate in mandatory mediation in the same manner as  
295 provided in s. 627.7015 except that the mediation is mandatory  
296 and the cost of mediation must be shared equally between the  
297 parties, unless otherwise agreed upon.

298 (c) ~~(b)~~ If an insurer is responding to a notice provided to  
299 the insurer alleging an act or omission by the insurer other  
300 than a denial of coverage, the insurer must respond by making a

301 settlement offer or requiring the claimant to participate in  
302 appraisal or another method of alternative dispute resolution.  
303 The time limits provided in s. 95.11 are tolled as long as  
304 appraisal or other alternative dispute resolution is ongoing if  
305 such time limits expire during the appraisal process or dispute  
306 resolution process. If the appraisal or alternative dispute  
307 resolution has not been concluded within 90 days after the  
308 expiration of the 10-day notice of intent to initiate litigation  
309 specified in subsection (3), the claimant or claimant's attorney  
310 may immediately file suit without providing the insurer  
311 additional notice.

312 (8) ATTORNEY FEES.—In cases arising from a property  
313 insurance dispute, the court shall determine attorney fees as  
314 provided in this subsection.

315 (a) If the judgment entered is greater than 80 percent of  
316 the claimant's presuit settlement demand, the prevailing party's  
317 attorney must be awarded 100 percent of the reasonably incurred  
318 attorney fees.

319 (b) If the judgment entered is between 20 percent and 80  
320 percent, inclusive, of the claimant's presuit settlement demand,  
321 the prevailing party's attorney must be awarded the percentage  
322 of reasonably incurred attorney fees which is proportional to  
323 the percentage of the judgement relative to the presuit demand.

324 (c) If the judgment is less than 20 percent of the  
325 claimant's presuit settlement demand, the prevailing party's

326 attorney may not be awarded attorney fees.

327 (d) Paragraphs (a), (b), and (c) do not apply in any of  
 328 the following circumstances:

329 1. The insurer fails to comply with statutory timelines  
 330 for responding to claims or engaging in mediation.

331 2. The claimant's demand is deemed reasonable by the  
 332 court, regardless of judgment outcome.

333 3. The court finds evidence of bad faith or abuse of the  
 334 litigation process by either party.

335 (9) PENALTIES.—The office may impose any penalty  
 336 authorized under the Florida Insurance Code on a person who  
 337 violates this section, including injunctions, fines, and fees.

338 **Section 7. Subsection (2) of section 627.70154, Florida**  
 339 **Statutes, is amended to read:**

340 627.70154 Mandatory binding arbitration.—A property  
 341 insurance policy issued in this state may not require that a  
 342 policyholder participate in mandatory binding arbitration unless  
 343 all of the following apply:

344 (2) The premium that a policyholder is charged for the  
 345 policy includes an actuarially sound credit or premium discount  
 346 for the mandatory binding arbitration endorsement. The insurer  
 347 shall disclose the dollar amount of such credit or discount when  
 348 providing a quote to the policyholder.

349 **Section 8.** For the purpose of incorporating the amendment  
 350 made by this act to section 627.062, Florida Statutes, in a

351 reference thereto, subsection (1) of section 627.151, Florida  
352 Statutes, is reenacted to read:

353 627.151 Basis of approval or disapproval of workers'  
354 compensation or employer's liability insurance filing; scope of  
355 disapproval power.—

356 (1) In determining at any time whether to approve or  
357 disapprove a filing as to workers' compensation or employer's  
358 liability insurance, or to permit the filing otherwise to become  
359 effective, the office shall give consideration only to the  
360 applicable standards and factors referred to in ss. 627.062 and  
361 627.072.

362 **Section 9.** For the purpose of incorporating the amendment  
363 made by this act to section 627.062, Florida Statutes, in a  
364 reference thereto, paragraph (b) of subsection (3) of section  
365 627.715, Florida Statutes, is reenacted to read:

366 627.715 Flood insurance.—An authorized insurer may issue  
367 an insurance policy, contract, or endorsement providing personal  
368 lines residential coverage for the peril of flood or excess  
369 coverage for the peril of flood on any structure or the contents  
370 of personal property contained therein, subject to this section.  
371 This section does not apply to commercial lines residential or  
372 commercial lines nonresidential coverage for the peril of flood.  
373 An insurer may issue flood insurance policies, contracts,  
374 endorsements, or excess coverage on a standard, preferred,  
375 customized, flexible, or supplemental basis.

376 (3)

377 (b) For flood coverage rates filed with the office before  
378 October 1, 2025, the insurer may also establish and use such  
379 rates in accordance with the rates, rating schedules, or rating  
380 manuals filed by the insurer with the office which allow the  
381 insurer a reasonable rate of return on flood coverage written in  
382 this state. Flood coverage rates established pursuant to this  
383 paragraph are not subject to s. 627.062(2)(a) and (f). An  
384 insurer shall notify the office of any change to such rates  
385 within 30 days after the effective date of the change. The  
386 notice must include the name of the insurer and the average  
387 statewide percentage change in rates. Actuarial data with regard  
388 to such rates for flood coverage must be maintained by the  
389 insurer for 2 years after the effective date of such rate change  
390 and is subject to examination by the office. The office may  
391 require the insurer to incur the costs associated with an  
392 examination. Upon examination, the office, in accordance with  
393 generally accepted and reasonable actuarial techniques, shall  
394 consider the rate factors in s. 627.062(2)(b), (c), and (d), and  
395 the standards in s. 627.062(2)(e), to determine if the rate is  
396 excessive, inadequate, or unfairly discriminatory. If the office  
397 determines that a rate is excessive or unfairly discriminatory,  
398 the office shall require the insurer to provide appropriate  
399 credit to affected insureds or an appropriate refund to affected  
400 insureds who no longer receive coverage from the insurer.



401           **Section 10.** For the purpose of incorporating the amendment  
402 made by this act to section 627.062, Florida Statutes, in a  
403 reference thereto, paragraph (b) of subsection (9) of section  
404 627.7151, Florida Statutes, is reenacted to read:

405           627.7151 Limited sinkhole coverage insurance.—

406           (9)

407           (b) For limited sinkhole coverage insurance rates filed  
408 with the office before October 1, 2019, the insurer may also  
409 establish and use rates in accordance with the rates, rating  
410 schedules, or rating manuals filed by the insurer with the  
411 office which allow the insurer a reasonable rate of return on  
412 limited sinkhole coverage insurance written in this state.  
413 Limited sinkhole coverage insurance rates established pursuant  
414 to this paragraph are not subject to s. 627.062(2)(a) or (f). An  
415 insurer shall notify the office of any change to such rates  
416 within 30 days after the effective date of the change. The  
417 notice must include the name of the insurer and the average  
418 statewide percentage change in rates. Actuarial data with regard  
419 to such rates for limited sinkhole coverage insurance must be  
420 maintained by the insurer for 2 years after the effective date  
421 of such rate change and is subject to examination by the office.  
422 The office may require the insurer to incur the costs associated  
423 with an examination. Upon examination, the office, in accordance  
424 with generally accepted and reasonable actuarial techniques,  
425 shall consider the rate factors in s. 627.062(2)(b) and (d) and

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426 | the standards in s. 627.062(2)(e) to determine whether the rate  
427 | is excessive, inadequate, or unfairly discriminatory.

428 |       **Section 11.** This act shall take effect July 1, 2025.