

By the Committee on Banking and Insurance; and Senator Avila

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1 A bill to be entitled
2 An act relating to consumer transparency for
3 homeowners' insurance; amending s. 627.0621, F.S.;
4 requiring that certain rate filings with the Office of
5 Insurance Regulation from residential property
6 insurers include rate transparency reports; providing
7 for acceptance or rejection by the office of such
8 reports; providing construction; providing
9 requirements for such reports; requiring insurers to
10 provide such reports to consumers; requiring that the
11 report indicate that it is preliminary and subject to
12 modification by the office under certain
13 circumstances; requiring the office to define terms
14 used in such reports; requiring the office to
15 establish and maintain a comprehensive resource center
16 on its website; providing requirements for the
17 resource center; specifying that certain information
18 is not a trade secret and is not subject to certain
19 public records exemptions; providing an effective
20 date.

21
22 Be It Enacted by the Legislature of the State of Florida:

23
24 Section 1. Present subsection (2) of section 627.0621,
25 Florida Statutes, is redesignated as subsection (3) and amended,
26 and a new subsection (2) is added to that section, to read:

27 627.0621 Transparency in rate regulation.—

28 (2) RATE TRANSPARENCY REPORT.—

29 (a) Beginning October 1, 2025, every rate filing requesting

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30 a rate change for residential property coverage from a property
31 insurer must include a rate transparency report for acceptance
32 for use or modification by the office. The office may accept the
33 rate transparency report for filing, or if the office finds that
34 the report fails to provide the required information in concise
35 and plain language that aids consumers in their understanding of
36 insurance, or finds the report to be misleading, the office must
37 return the rate transparency report to the property insurer for
38 modification. The office's acceptance of the report for use or
39 modification may not be deemed approval pursuant to s. 627.062.
40 The report must be compiled in a uniform format prescribed by
41 the commission and must include a graphical representation
42 identifying a percentage breakdown of rating factors anticipated
43 by the company, book, or program affected by the filing.

44 (b) Along with an offer of coverage and upon renewal, an
45 insurer must provide the corresponding copy of the rate
46 transparency report for the consumers' offered rate to aid
47 consumers in their understanding of insurance. If the report has
48 not been accepted for use or modified by the office, the report
49 must indicate that it is preliminary and subject to modification
50 by the office.

51 (c) The rate transparency report must include the following
52 categories of the book or program at the cumulative level:

53 1. The percentage of the total rate factor associated with
54 the cost of reinsurance.

55 2. The percentage of the total rate factor associated with
56 the cost of claims.

57 3. The percentage of the total rate factor associated with
58 the defense containment and costs.

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59 4. The percentage of the total rate factor associated with
60 fees and commissions.

61 5. The percentage of the rate factor associated with profit
62 and contingency of the insurer.

63 6. Any other categories deemed necessary by the office or
64 commission.

65
66 An estimated percentage of the influence of each listed factor
67 provided must equal 100 percent.

68 (d) The insurer shall provide the rate transparency report
69 to the office upon the filing of a rate change with the office.

70 (e) In addition to the categories required in paragraph
71 (c), the rate transparency report must also include the
72 following information:

73 1. Any major adverse findings by the office for the
74 previous 3 calendar years.

75 2. Whether the insurer uses affiliated entities to perform
76 functions of the insurer.

77 3. Contact information, including a telephone number, hours
78 of service, and e-mail address, for the Division of Consumer
79 Services of the department.

80 4. Contact information for the office.

81 5. Address for the website for public access to rate filing
82 and affiliate information outlined in subsection (3).

83 6. Any changes in the total insured value from the last
84 policy period.

85 (f) The office shall define, in concise and plain language,
86 any terms used in the rate transparency report to aid consumers
87 in their understanding of insurance.

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88 (3)~~(2)~~ WEBSITE FOR PUBLIC ACCESS TO RATE FILING
89 INFORMATION.—

90 (a) The office shall establish and maintain a comprehensive
91 resource center on its website which uses concise and plain
92 language to aid consumers in their understanding of insurance.
93 The website must include substantive information on the current
94 and historical dynamics of the market, data concerning the
95 financial condition and market conduct of insurance companies,
96 and insurance options available to consumers. At a minimum, the
97 website must contain the following:

98 1. Reports, using graphical information whenever possible,
99 which outline information about the state of the market and
100 adverse and positive trends affecting it.

101 2. Tools that aid consumers in finding insurers, including,
102 but not limited to, a listing of all companies actively doing
103 business in this state which includes each company's address,
104 website, and all phone numbers and e-mail addresses to be used
105 by insureds and applicants for coverage.

106 3. Tools that aid consumers in selecting the coverages
107 beneficial to them, including, but not limited to:

108 a. Educational materials that explain the types of coverage
109 in residential property insurance policies; the difference
110 between replacement cost reimbursement and actual cash value
111 reimbursement; a glossary of common terms used in policies; and
112 a comparison of the coverage, terms, conditions, and exclusions
113 contained in different homeowners and dwelling fire forms.

114 b. Answers to commonly asked questions about residential
115 property insurance coverage.

116 4. Information about mitigation credits and the My Safe

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117 Florida Home Program, as well as other credits and discounts
118 insurers may offer beyond wind mitigation.

119 5. Access to the rate transparency report, annual
120 statements, market conduct information, and other information
121 related to each insurer.

122 6. Information on the Citizens Property Insurance
123 Corporation takeout process, the clearinghouse, and general
124 information as reported by the office.

125 7. Information on the claims process, including, but not
126 limited to:

127 a. Clear, step-by-step guidance on how to file a claim,
128 what to expect during the claim process, and timelines for
129 resolution of a claim.

130 b. The obligations of insurers and insureds related to
131 claim reporting, claim handling, communications regarding
132 claims, claim investigations, claim decisions, and claim
133 payments.

134 c. For each insurer with active policies in this state, the
135 means by which to report a claim, including any phone numbers,
136 e-mail addresses, and website addresses, used for claim
137 reporting.

138 8. Information on consumer protection, including, but not
139 limited to:

140 a. The rights of insureds under Florida law related to
141 obtaining coverage; coverage renewals, nonrenewals, and
142 cancellations; and mandated offers of coverage.

143 b. Information on how to file consumer complaints with the
144 Division of Consumer Services in the Department of Financial
145 Services.

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146 9. Information on news and updates relevant to consumers
147 regarding this state's residential property insurance market,
148 including regulatory changes, information on insurers that enter
149 or exit the market, and industry trends.

150 10. Disaster preparedness information directly related to
151 insurance, prepared by the office or by the Division of
152 Emergency Management.

153 11.(a) With respect to any residential property rate
154 filing, ~~the office shall provide the following information on a~~
155 ~~publicly accessible Internet website:~~

156 a.1. The overall rate change requested by the insurer.

157 b.2. The rate change approved by the office along with all
158 of the actuary's assumptions and recommendations forming the
159 basis of the office's decision.

160 c.3. Certification by the office's actuary that, based on
161 the actuary's knowledge, his or her recommendations are
162 consistent with accepted actuarial principles.

163 d. Whether the insurer uses affiliated entities to perform
164 administrative, claims handling, or other functions of the
165 insurer and, if so, the total percentage of direct written
166 premium paid to the affiliated entities by the insurer in the
167 preceding calendar year.

168 (b) For any rate filing, regardless of whether ~~or not~~ the
169 filing is subject to a public hearing, the office shall provide
170 on its website a means for any policyholder who may be affected
171 by a proposed rate change to send an e-mail regarding the
172 proposed rate change. Such e-mail must be accessible to the
173 actuary assigned to review the rate filing.

174 (c) The statewide average requested rate change and final

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175 approved statewide average rate change within a filing is not a
176 trade secret as defined in s. 688.002 or s. 812.081(1) and is
177 not subject to the public records exemption for trade secrets
178 provided in s. 119.0715 or s. 624.4213.

179 (d) County rating examples submitted to the office through
180 the rate collection system for the purposes of displaying rates
181 on the office website are not a trade secret as defined in s.
182 688.002 or s. 812.081(1) and are not subject to the public
183 records exemption for trade secrets provided in s. 119.0715 or
184 s. 624.4213.

185 Section 2. This act shall take effect July 1, 2025.