

By Senator Smith

17-00288A-26

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A bill to be entitled

An act relating to transparency in insurance matters; amending s. 624.4213, F.S.; defining the term "trade secret"; revising the requirements of a notice of trade secret submitted to the Office of Insurance Regulation or the Department of Financial Services; specifying that certain information is not a trade secret and is subject to public disclosure; requiring the office to review all claims of trade secret protection; requiring that certain claims of trade secret protection be denied; requiring the office to issue a written notice of denial of trade secret protection under certain circumstances; requiring the Financial Services Commission to contract with a certain independent third-party entity for a specified purpose; requiring that a certain reporting requirement be included in the contract; providing administrative fines; authorizing the office to suspend or revoke a person's certificate of authority or license under certain circumstances; creating s. 624.4214, F.S.; requiring that fees, commissions, and profit-sharing agreements between insurers and affiliates be filed with the office and made publicly accessible on the department's website; providing an effective date.

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

Section 1. Present subsections (1), (2), and (3) of section

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624.4213, Florida Statutes, are redesignated as subsections (2), (3), and (4), respectively, a new subsection (1) and subsections (5) through (8) are added to that section, and present subsection (1) of that section is amended, to read:

624.4213 Trade secret documents.—

(1) As used in this section, the term "trade secret" has the same meaning as provided in s. 688.002.

(2)~~(1)~~ If any person who is required to submit documents or other information to the office or department pursuant to the insurance code or by rule or order of the office, department, or commission claims that such submission contains a trade secret, such person may file with the office or department a notice of trade secret as provided in this section. Failure to do so constitutes a waiver of any claim by such person that the document or information is a trade secret.

(a) Each page of such document or specific portion of a document claimed to be a trade secret must be clearly marked as "trade secret."

(b) All material marked as a trade secret must be separated from all non-trade secret material, such as being submitted in a separate envelope clearly marked as "trade secret."

(c) In submitting a notice of trade secret to the office or department, the submitting party must include a sworn ~~an~~ affidavit that includes all ~~certifying under oath to the truth~~ of the following ~~statements concerning all documents or~~ information ~~that are claimed to be trade secrets~~:

1. The basis for the claim that the submission qualifies as a trade secret.

2. A statement that all of the following are true:

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59 ~~a.1.~~ ... (I consider/My company considers)... this
60 information a trade secret that has value and provides an
61 advantage or an opportunity to obtain an advantage over those
62 who do not know or use it.

63 ~~b.2.~~ ... (I have/My company has)... taken measures to
64 prevent the disclosure of the information to anyone other than
65 those who have been selected to have access for limited
66 purposes, and ... (I intend/my company intends)... to continue to
67 take such measures.

68 ~~c.3.~~ The information is not, and has not been, reasonably
69 obtainable without ... (my/our)... consent by other persons by
70 use of legitimate means.

71 ~~d.4.~~ The information is not publicly available elsewhere,
72 and the public release of such information would cause actual,
73 demonstrable harm to ... (me/my company)....

74 3. A summary prepared for the general public which
75 describes the nature of the submission claimed to be a trade
76 secret without disclosing the protected details of the
77 submission.

78 (5) The following information is not considered a trade
79 secret and is subject to public disclosure:

80 (a) Any financial information, including data, models, or
81 assumptions, used in the calculation or justification of
82 insurance rates.

83 (b) All transactions between an insurer and any affiliate,
84 including, but not limited to, fees, commissions, payments, or
85 profit-sharing agreements with managing general agents, as
86 defined in s. 626.015, claims handlers, reinsurers, or third-
87 party administrators.

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88 (c) Officer and employee compensation.

89 (d) Dividends paid to shareholders.

90 (e) Any information contained in rate filings.

91 (f) Any information used to support or oppose proposed
92 legislation.

93 (g) The summary prepared in accordance with subparagraph
94 (2)(c)3.

95 (6) The office shall review all claims of trade secret
96 protection submitted under this section. If the office or
97 department determines that the information does not meet the
98 definition of a trade secret under s. 688.002 or falls within
99 the categories described in subsection (5), the claim must be
100 denied and the office must issue a written notice of denial to
101 the submitting party.

102 (7) The commission shall, at least once every other year,
103 contract with an independent third-party entity with expertise
104 in insurance regulation to conduct an independent review of
105 trade secret claims submitted under this section. The contract
106 must require submission of a final report to the commission, the
107 President of the Senate, and the Speaker of the House of
108 Representatives by February 1 following the year in which a
109 review is conducted which identifies any trade secret claim the
110 third-party entity recommends be rejected by the commission.

111 (8) A person who knowingly asserts a false claim of trade
112 secret protection in order to conceal unlawful financial
113 practices is subject to an administrative fine imposed by the
114 office in an amount not to exceed \$25,000 per violation. In
115 addition, the office may suspend or revoke the person's
116 certificate of authority or license as provided in s. 624.418.

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117 Section 2. Section 624.4214, Florida Statutes, is created
118 to read:

119 624.4214 Public disclosure of affiliate financial
120 arrangement.—All fees, commissions, and profit-sharing
121 agreements between an insurer and its affiliates must be filed
122 with the office and made publicly accessible on the department's
123 website.

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