January 8, 2026

What's New In Our Workers' Compensation Industry
Florida

"An up-to-date summary of what is happening in Florida related to workers' compensation in all branches of government."

Legislative Branch of Government

The Bill filing deadline for matters to be considered in the 2026 Legislative Session (The session begins on January 13, 2026) is scheduled for January 9, 2026. Bills of relevance to the workers' compensation industry filed to date are summarized as follows, to be updated along with recent decisions by the Courts in next week's newsletter.

HB 527 (Compare SB202) <u>Mandatory Human Reviews of Insurance Claim Denials – Use of Artificial Intelligence (AI) in Claims Adjusting</u> Bills require a "qualified human professional" to review and finalize any decision reducing or denying insurance claims rather than just utilizing AI and algorithms i.e., "machine learning" can be used to assist in claims processing but developed technologies cannot be the sole basis for making decisions on benefits payable. The Bills require detailed records of the human professional's, review and the information used to support claims decisions. If benefits are denied, insurers must include a written statement in denial notices confirming that any claims decisions were not based solely on AI. Developed claims handling manuals and AI manuals must be updated to reflect how AI systems are utilized in the claims handling process. Regulatory agencies are authorized to examine and investigate compliance with developed standards and impose penalties for violations. **The Bills should be of particular interest to the claims industry. These Bills bring up all kinds of questions that concern workers compensation matters. For example, do the Bills apply to the handling of workers' compensation cases? Most assuredly they do. Does it specifically relate to the denial of the payment of prescriptions and the pharmaceutical industry's push for "deemed authorized" on all medications that are not properly denied? Would these proposed Bills prevent a carrier or claims handler from "auto adjudicating" and denying a prescription request without a claims professional reviewing each denial? It appears that extensive claims file documentation will be needed to confirm proper compliance**

with these proposed statutory claims compliance requirements which will be subject to extensive regulatory oversight and rule development. Has anyone priced these additional costs? A copy of the original HB527 is attached. Also attached is a committee/subcommittee amendment to HB527. A similar Senate Bill, SB202, is attached for review. If either of these Bills pass and are signed into law, handling attorneys should consider developing and adopting a standard process for attorneys to gather necessary information from a claim file to ensure compliance. There is no question that in defending workers' compensation cases, there will be Motions to Produce filed by claimant's attorneys requesting copies of developed standards which more likely than not, will require increased depositions of adjusters.

SB410 Public Records/Private Investigators -- Bill adds the personal information of private investigators licensed by the Department of Agriculture and Consumer Services to the list of individuals whose home addresses, phone numbers, dates of birth, photographs and related family information are exempt from public disclosure in accordance with Section 119.070(1) Florida Statutes and Section 24 (a) Article I of the State Constitution. This exemption from disclosure is subject to the Open Government Sunset Review Act pursuant to Section 119.15 Florida Statutes. and shall stand repealed on October 2, 2031, unless reviewed and saved from repeal through re-enactment by the Legislature.

SB330 – Firefighters, Fire Service Providers, Law Enforcement, and Correctional Officers Tuberculosis, Heart Disease and Hypertensions Claims – Expands the definition of "Fire Service Providers" entitled to the presumption of compensability in regards to entitlement of workers' compensation benefits caused by tuberculosis, heart disease and hypertension resulting in total or partial disability. The expanded definition includes workers employed by an organization under an agreement to provide fire services to any governmental entity referenced in Section 633.102, Florida Statutes.

Law enforcement officers, correctional officers, correctional probation officers and others entitled to the presumption of compensability for the stated medical conditions must have undergone a pre-employment physical examination upon entering service of the employer against whom a claim for such benefits is filed. Such pre-employment physical exam requirement is met if such an exam was completed with a prior employer. In order to use a prior employment physical exam, it must be demonstrated that the current employing agency against whom a claim is filed did not require such an examination.

Medical care entitlement based on the presumption of compensability cases is defined as that provided by a physician licensed under Chapter 458, FS or Chapter 459 Florida Statutes who is board certified in a medical specialty that includes care and

2

treatment for these medical conditions. Medical care includes prescribed medications for the specific disease or diseases recorded in the patient's medical records.

SB618 (HB1243) – Excess Workers' Compensation Premium Rates And The Florida Insurance Guaranty Association   Section 627.171, F.S. allows insurers to use rates for insurance coverages in excess of applicable filed rates only with the written consent of the insured which is executed prior to a policy inception date. However, insurers may not use excess rates for more than 10% of their commercial insurance policies written or renewed in Florida for each calendar year. This Bill seeks to allow workers compensation insurers' the ability to write no more than 20% of its coverages at such rates. In determining the 20% limitation for writing policies with excess rates, the insurer can exclude any workers compensation policies that are written for an employer that had coverage in the Joint Underwriting Plan (assigned risk) created by Section 627.311(5), F.S. Such joint underwriting workers' compensation policies would be excluded from the 20% limitation for the first 3 years of coverage of the issued policy.

Amendments to the Florida Workers' Compensation Insurance Guaranty Association (Association) statute are proposed specifically related to the Association Board of Directors. The number of Board members are reduced in number to nine members from 11. One of the members shall be the insurance consumer advocate appointed under Section 627.0613 FS, or his or her designee. (One of the nine Board members of the amended Board membership is the consumer Advocate. The amendment allows for the Consumer Advocate to appoint his or her designee). The two new Board members would consist of a person nominated by a statewide trade association representing Florida employers as designated by the Chief Financial Officer, and one person nominated by the largest property and casualty insurance agents association in Florida. The Chief financial Officer may appoint other persons with experience in workers compensation insurance to the board to serve in place of a nominee of either Association.

HB145 – Suits Against the Government – This Bill increases statutory limits on liability for tort claims against the state and its agencies and subdivisions; authorizes a subdivision of the state to settle claims in excess of the statutory limit without legislative action regardless of insurance coverage limits; prohibits insurance policies from conditioning payment of benefits on enactment of a claim bill by the Legislature; specifies that limitations in effect on the date a claim accrues applies to that claim; revises period within which certain claims must be presented; revises exceptions relating to instituting tort claims against state or agencies or subdivisions; revises period after which failure of certain entities to make final disposition of claims shall be deemed final denial of claim for certain purposes; and revises statute of limitations for tort claims against state or its agencies or subdivisions and provides exceptions.

SB 374 – <u>Authority of Physician Assistants to Provide Medical Care Including Prescribing of Medications</u> - Amends Sections 458.374(4) FS, and 459.022 FS in regards to the ability of fully licensed physician assistants (Physician Assistant) to provide medical care and prescribe and dispense medication as follows:

1)   Current law allows physician assistants to provide medical care if a supervising physician notifies the State Regulator of the intent to delegate this responsibility. Amendment seeks to delete the requirement that the state regulator be advised of this delegation.

2)   Current law requires prescriptions issued by Physician Assistants to bear the name of the physician assistant and his/her supervising physicians. Amending Bill seeks to delete the requirement that the supervising physician's name appear on the prescription.

3)   Current law provides for a formulary listing medicinal drugs that a physician assistant may not prescribe. Schedule II controlled drugs are limited to a 7-day supply. However, for Schedule II psychiatric mental prescriptions the supply is limited to 30-days. If such medicine is for a child younger than the age of 18, current law allows for the prescribing of a 14-day supply if medical care is under the supervision of a pediatrician. Amendment deletes the limitations of the 14-day supply in such a situation.

4)   If the Governor issues an Executive Order or Proclamation a physicians assistant or advanced practice registered nurse may render medical services without physician supervision in any county covered by the Executive Order or Proclamation. Out-of-state physicians registered to provide telehealth services in this state and Physician Assistants holding a temporary certificate to practice are not authorized to practice medicine without physician supervision.

HB 739 – <u>Law Enforcement Officers</u> – The current law in regards to workers' compensation claims for tuberculosis, heart disease or hypertension claims to be presumed to be job related requires that upon being hired by the hiring agency against which a claim for such benefits is made, there must be a showing that the claimant did not have such condition or conditions prior to being employed. In regards to such claims filed by Firefighters, if there was no pre-employment physical exam required by the employing agency, the physical examination requirement required for licensure pursuant to Section 633.412(5), FS, can be utilized to establish that the lack of pre-existing conditions to support such a claim. (Compare SB330) This statutory amendment seeks to add law enforcement officers to employees that can establish the lack of pre-existing conditions where the hiring agency did not require a pre-employment physical exam by utilizing the licensure requirements for a physical exam pursuant to Section 943.13, FS.

Current law creates a presumption that claims for tuberculosis, heart disease or hypertension benefits to law enforcement officers, correctional officers and correctional probational officers are not in the line of duty if, among other things it is determined that such employees "departed in a material fashion from the prescribed course of treatment of an authorized physician." From a previously compensated claim under Chapter 440, FS. This Bill seeks to delete the statutory definition of "prescribed course of treatment."

HB 813 – (Companion Bill – SB984) Firefighter Cancer Benefits as an Alternative to Workers' Compensation Benefits As an alternative to the receipt of Workers' compensation benefits upon a diagnosis of cancer, a firefighter can elect to receive benefits under certain conditions in accordance with Section 112.1816, FS. Benefits include medical care. If the firefighter is covered by an employer-sponsored health plan or through a group health insurance Trust, the employer must reimburse the firefighter out-of-pocket expenses paid by the firefighter, including deductible payments, co-payments, and co-insurance costs due to the treatment of the cancer. If the firefighter elects to continue coverage under these health plans after he or she terminates employment, such benefits must be made available to the firefighter for 10-years after the date on which the firefighter terminated employment.

A benefit payable under the workers' compensation alternative plan also includes a cash payout of $25,000.00 upon the diagnosis of cancer. Such benefits must be made available by his or her former employer for 10-years after termination of employment so long as the firefighter otherwise meets the conditions for entitlement to the alternative plan and he or she was not employed as a firefighter after the termination date. The cash payment of $25,000 is not conditioned upon the firefighter continuing coverage in the employer-sponsored health plan or group health insurance Trust fund after termination from employment.

Under the alternative plan, if the firefighter dies as a result of cancer or circumstances that arise out of the treatment of cancer, death benefits would be payable to the firefighter's beneficiary. Such death benefits must be made available by the employer for one year after the date on which the firefighter terminated employment and is not contingent on the firefighter continuing coverage in the employer-sponsored health plan or group health insurance trust so long as the firefighter otherwise meets the conditions for the payment of such benefits.

HB 607 –Notice of Workers' Compensation Coverage This Bill consolidates the licensing authority for certain professionals under the Department of Business and Professional Regulation (Department) by transferring licensing authority from various Boards to the Department. In accordance with Section 489.114, FS, any person, business organization or qualifying agent engaged in the business of contracting in this State shall, as a condition precedent to the issuance or renewal of a license, provide the Construction Industry Licensing Board evidence of workers' compensation coverage pursuant to

Chapter 440. Evidence of such coverage under this Bill would be sent to the Department. Failure to provide such evidence could be grounds for penalties assessed by the Board. In regards to electrical contractors, the need to provide notice of workers' compensation coverage in the current statute must be provided to the Electrical Contractors Licensing Board. The Department has replaced the Boards as the regulatory agency to provide notice of workers' compensation coverage.

Executive/Administrative Branch of Government

The maximum workers' compensation rate of $1,358, beginning January 1, 2026 , has been established in accordance with Section 440.12(2), Florida Statutes according to the below stated public notices:

December 2, 2025

To: All Florida Workers' Compensation Insurance Carriers, Self-Insured Employers and Third-Party Administrators

Subject: Maximum Workers' Compensation Rate – Effective January 1, 2026

References: INFORMATIONAL BULLETIN

Florida Commerce's Bureau of Workforce Statistics and Economic Research has determined the statewide average weekly wage paid by employers subject to the Florida Reemployment Assistance Program Law to be $1,357.95 for the four calendar quarters ending June 30, 2025.

Section 440.12(2), Florida Statutes (2025), expressly provides that, for injuries occurring on or after August 1, 1979, the weekly compensation rate shall be equal to 100 percent of the statewide average weekly wage, adjusted to the nearest dollar, and that the average weekly wage determined by the Department of Commerce for the four calendar quarters ending each June 30 shall be used in determining the maximum weekly compensation rate with respect to injuries occurring in the calendar year immediately following.

Accordingly, the maximum weekly compensation rate for work-related injuries and illnesses occurring on or after January 1, 2026, shall be $1,358.

A bill to be entitled

An act relating to mandatory human reviews of
insurance claim denials; creating s. 627.4263, F.S.;
defining terms; requiring that insurers' decisions to
deny a claim or any portion of a claim be made by
qualified human professionals; specifying the duties
of qualified human professionals; requiring an insurer
to maintain certain records; prohibiting the use of
algorithms, artificial intelligence, or machine
learning systems as the sole basis for determining
whether to adjust or deny a claim; requiring insurers
to include certain information in denial
communications to claimants; requiring that certain
insurers detail certain information in their claims-
handling manual; authorizing the Office of Insurance
Regulation to conduct market conduct examinations and
investigations under certain circumstances;
authorizing the Financial Services Commission to adopt
rules; providing an effective date.

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

    Section 1. **Section 627.4263, Florida Statutes, is created
to read:**

    627.4263 Mandatory human reviews of claim denials.—

Page 1 of 4

26   (1) As used in this section, the term:

27   (a) "Algorithm" means a clearly specified mathematical

28 process for computation which uses rules designed to give

29 prescribed results.

30   (b) "Artificial intelligence system" means a machine-based

31 system that may have varying levels of autonomy and that can,

32 for a given set of objectives, generate outputs, such as

33 predictions, recommendations, or content, influencing decisions

34 made in real or virtual environments.

35   (c) "Machine learning system" means an artificial

36 intelligence system that has the ability to learn from provided

37 data without being explicitly programmed.

38   (d) "Qualified human professional" means an individual

39 who, under the Florida Insurance Code, has the authority to

40 adjust or deny a claim or a portion of a claim and may exercise

41 such authority over a particular claim.

42   (2) An insurer's decision to deny a claim or any portion

43 of a claim must be made by a qualified human professional.

44   (3) A qualified human professional shall, before

45 determining whether to adjust or deny a claim or a portion of a

46 claim, do all of the following:

47   (a) Analyze the facts of the claim and the terms of the

48 insurance policy independently of any artificial intelligence

49 system, machine learning system, or algorithm.

50   (b) Review the accuracy of any output generated by such a

hb527-00

51 system or algorithm.

52 (c) Conduct any review of a claim adjustment or claim

53 decision that was made by another qualified human professional.

54 (4) An insurer shall maintain detailed records of the

55 actions of qualified human professionals who are required to

56 perform the actions under subsection (3), including:

57 (a) The name and title of the qualified human professional

58 who made the decision to deny a claim or a portion of a claim

59 and of any qualified human professional who reviewed a claim

60 adjustment or claim decision.

61 (b) The date and time of the claim decision and of any

62 review of the claim adjustment.

63 (c) Documentation of the basis for the denial of the claim

64 or a portion of the claim, including any information provided by

65 an algorithm, an artificial intelligence system, or a machine

66 learning system.

67 (5) An algorithm, an artificial intelligence system, or a

68 machine learning system may not serve as the sole basis for

69 determining whether to adjust or deny a claim.

70 (6) In all denial communications to a claimant, an insurer

71 shall:

72 (a) Clearly identify the qualified human professional who

73 made the decision to deny the claim or a portion of the claim;

74 and

75 (b) Include a statement affirming that an algorithm, an

hb527-00

76 artificial intelligence system, or a machine learning system did
77 not serve as the sole basis for determining whether to deny the
78 claim or a portion of the claim.
79   (7) An insurer that uses an algorithm, an artificial
80 intelligence system, or a machine learning system as part of its
81 claims-handling process shall detail in its claims-handling
82 manual the manner in which such systems are to be used and the
83 manner in which the insurer complies with this section.
84   (8) The office may conduct market conduct examinations and
85 investigations or use any method it deems necessary to verify
86 compliance with this section.
87   (9) The commission may adopt rules to implement this
88 section.
89   **Section 2.** This act shall take effect July 1, 2026.

Amendment No.

1 Committee/Subcommittee hearing bill: Insurance & Banking
2 Subcommittee
3 Representative Cassel offered the following:
4
5   **Amendment (with title amendment)**
6   Remove everything after the enacting clause and insert:
7   **Section 1. Section 440.131, Florida Statutes, is**
8 **created to read:**
9   440.131 Mandatory human reviews of claim denials.—
10   (1) As used in this section, the term:
11   (a) "Algorithm" means a clearly specified mathematical
12 process for computation which uses rules designed to give
13 prescribed results.
14   (b) "Artificial intelligence system" means a machine-based
15 system that may have varying levels of autonomy and that can,
16 for a given set of objectives, generate outputs, such as

245389 - h0527-strike.docx

17 predictions, recommendations, or content, influencing decisions

18 made in real or virtual environments.

19   (c) "Machine learning system" means an artificial

20 intelligence system that has the ability to learn from provided

21 data without being explicitly programmed.

22   (d) "Qualified human professional" means an individual

23 who, under the Florida Insurance Code, has the authority to

24 adjust or deny a claim or a portion of a claim and may exercise

25 such authority over a particular claim.

26   (2) A carrier may use an algorithm, artificial intelligence

27 system, or machine learning system to assist in processing

28 claims, including generating recommendations to approve or deny

29 a claim or a portion of a claim, in accordance with this

30 section.

31   (3) A decision to reduce a payment of a claim, deny a

32 claim, or deny a portion of a claim or to reduce a claim payment

33 may not be made solely on the basis of an algorithm, artificial

34 intelligence system, or machine learning system. A carrier's

35 decision to deny a claim or any portion of a claim or a payment

36 claim reduction must be made by a qualified human professional.

37   (4) If an algorithm, artificial intelligence system, or

38 machine learning system assists in processing a claim, the

39 qualified human professional must do the following before

40 reducing a claim payment or denying the claim or a portion of

41 the claim:

42   (a) Analyze the facts of the claim and the terms of the

43 insurance policy independently of any artificial intelligence

44 system, machine learning system, or algorithm.

45   (b) Review the accuracy of any output generated by such a

46 system or algorithm.

47   (c) Determine that the claim or portion of the claim is not

48 payable under the terms of the insurance policy and should be

49 denied or that the claim payment should be reduced.

50   (5) A carrier shall maintain detailed records of the

51 actions of qualified human professionals who are required to

52 perform the actions under subsection (3), including:

53   (a) The name, title, business address, and the unique

54 identifier associated with the name of the qualified human

55 professional who made the decision to reduce the claim payment,

56 deny the claim, or deny a portion of the claim.

57   (b) The date and time of the qualified human

58 professional's decision.

59   (c) Documentation of the basis for the reduction of the

60 claim payment, denial of the claim, or denial of a portion of

61 the claim, including any information provided by an algorithm,

62 an artificial intelligence system, or a machine learning system.

63   (6) In all written denial communications to an injured

64 employee, a carrier shall include:

65   (a) An email address, telephone number, business address,

66 and unique identifier, in lieu of the name of the qualified

245389 - h0527-strike.docx

67 human professional who made the decision to reduce the claim

68 payment, deny the claim, or deny a portion of the claim; and

69   (b)   A written statement affirming that an algorithm, an

70 artificial intelligence system, or a machine learning system did

71 not serve as the sole basis for determining whether to reduce

72 the claim payment, deny the claim, or deny a portion of the

73 claim.

74   (7)   A carrier that uses an algorithm, an artificial

75 intelligence system, or a machine learning system as part of its

76 claims-handling process shall detail in its claims-handling

77 manual the manner in which such systems are to be used and the

78 manner in which the carrier complies with this section.

79   (8)   The department may conduct examinations and

80 investigations it deems necessary to verify compliance with this

81 section.

82   (9)   The department may adopt rules to implement this

83 section.

84   (10)   Failure to comply with this section shall be

85 considered a violation of this chapter and is subject to

86 penalties as provided for in s. 440.525.

87   **Section 2.   Section 627.4263, Florida Statutes, is created**

88 **to read:**

89   627.4263. Mandatory human reviews of claim denials.—

90   (1)   As used in this section, the term:

91   (a) "Algorithm" means a clearly specified mathematical

92   process for computation which uses rules designed to give

93   prescribed results.

94   (b) "Artificial intelligence system" means a machine-based

95   system that may have varying levels of autonomy and that can,

96   for a given set of objectives, generate outputs, such as

97   predictions, recommendations, or content, influencing decisions

98   made in real or virtual environments.

99   (c) "Machine learning system" means an artificial

100   intelligence system that has the ability to learn from provided

101   data without being explicitly programmed.

102   (d) "Qualified human professional" means an individual

103   who, under the Florida Insurance Code, has the authority to

104   adjust or deny a claim or a portion of a claim and may exercise

105   such authority over a particular claim.

106   (2) An insurer may use an algorithm, artificial

107   intelligence system, or machine learning system to assist in

108   processing claims, including generating recommendations to

109   approve or deny a claim or a portion of a claim, in accordance

110   with this section.

111   (3) A decision to reduce a payment of a claim, deny a

112   claim, or deny a portion of a claim or to reduce a claim payment

113   may not be made solely on the basis of an algorithm, artificial

114   intelligence system, or machine learning system. An insurer's

115 decision to deny a claim or any portion of a claim or a payment

116 claim reduction must be made by a qualified human professional.

117 (4) If an algorithm, artificial intelligence system, or

118 machine learning system assists in processing a claim, the

119 qualified human professional must do the following before

120 reducing a claim payment, denying the claim or a portion of the

121 claim:

122 (a) Analyze the facts of the claim and the terms of the

123 insurance policy independently of any artificial intelligence

124 system, machine learning system, or algorithm.

125 (b) Review the accuracy of any output generated by such a

126 system or algorithm.

127 (c) Determine that the claim or portion of the claim is not

128 payable under the terms of the insurance policy and should be

129 denied or that the claim payment should be reduced.

130 (5) An insurer shall maintain detailed records of the

131 actions of qualified human professionals who are required to

132 perform the actions under subsection (3), including:

133 (a) The name, title, business address, and the unique

134 identifier associated with the name of the qualified human

135 professional who made the decision to reduce the claim payment,

136 deny the claim, or deny a portion of the claim.

137 (b) The date and time of the qualified human

138 professional's decision.

139   (c) Documentation of the basis for the reduction of the

140 claim payment, denial of the claim, or denial of a portion of

141 the claim, including any information provided by an algorithm,

142 an artificial intelligence system, or a machine learning system.

143   (6) In all written denial communications to an insured, an

144 insurer shall include:

145   (a) An email address, telephone number, business address,

146 and unique identifier, in lieu of the name of the qualified

147 human professional who made the decision to reduce the claim

148 payment, deny the claim, or deny a portion of the claim; and

149   (b) A written statement affirming that an algorithm, an

150 artificial intelligence system, or a machine learning system did

151 not serve as the sole basis for determining whether to reduce

152 the claim payment, deny the claim, or deny a portion of the

153 claim.

154   (7) An insurer that uses an algorithm, an artificial

155 intelligence system, or a machine learning system as part of its

156 claims-handling process shall detail in its claims-handling

157 manual the manner in which such systems are to be used and the

158 manner in which the insurer complies with this section.

159   (8) The office may conduct market conduct examinations and

160 investigations it deems necessary to verify compliance with this

161 section.

162   (9) The commission may adopt rules to implement this

163 section.

164 **Section 3. Section 641.31090, Florida Statutes, is created**
165 **to read:**
166 641.31090 Mandatory human reviews of claim denials.—
167 (1) As used in this section, the term:
168 (a) "Algorithm" means a clearly specified mathematical
169 process for computation which uses rules designed to give
170 prescribed results.
171 (b) "Artificial intelligence system" means a machine-based
172 system that may have varying levels of autonomy and that can,
173 for a given set of objectives, generate outputs, such as
174 predictions, recommendations, or content, influencing decisions
175 made in real or virtual environments.
176 (c) "Machine learning system" means an artificial
177 intelligence system that has the ability to learn from provided
178 data without being explicitly programmed.
179 (d) "Qualified human professional" means an individual
180 who, under the Florida Insurance Code, has the authority to
181 adjust or deny a claim or a portion of a claim and may exercise
182 such authority over a particular claim.
183 (2) A health maintenance organization may use an algorithm,
184 artificial intelligence system, or machine learning system to
185 assist in processing claims, including generating
186 recommendations to approve or deny a claim or a portion of a
187 claim, in accordance with this section.

188   (3)   A decision to reduce a payment of a claim, deny a

189 claim, or deny a portion of a claim or to reduce a claim payment

190 may not be made solely on the basis of an algorithm, artificial

191 intelligence system, or machine learning system. A health

192 maintenance organization's decision to deny a claim or any

193 portion of a claim or a payment claim reduction must be made by

194 a qualified human professional.

195   (4)   If an algorithm, artificial intelligence system, or

196 machine learning system assists in processing a claim, the

197 qualified human professional must do the following before

198 reducing a claim payment, denying the claim or a portion of the

199 claim:

200   (a)   Analyze the facts of the claim and the terms of the

201 contract independently of any artificial intelligence system,

202 machine learning system, or algorithm.

203   (b)   Review the accuracy of any output generated by such a

204 system or algorithm.

205   (c) Determine that the claim or portion of the claim is not

206 payable under the terms of the insurance policy and should be

207 denied or that the claim payment should be reduced.

208   (5)   A health maintenance organization shall maintain

209 detailed records of the actions of qualified human professionals

210 who are required to perform the actions under subsection (3),

211 including:

212   (a) The name, title, business address, and the unique

213 identifier associated with the name of the qualified human

214 professional who made the decision to reduce the claim payment,

215 deny the claim, or deny a portion of the claim.

216   (b) The date and time of the qualified human

217 professional's decision.

218   (c) Documentation of the basis for the reduction of the

219 claim payment, denial of the claim, or denial of a portion of

220 the claim, including any information provided by an algorithm,

221 an artificial intelligence system, or a machine learning system.

222   (6) In all written denial communications to a subscriber,

223 a health maintenance organization shall include:

224   (a) An email address, telephone number, business address,

225 and unique identifier, in lieu of the name of the qualified

226 human professional who made the decision to reduce the claim

227 payment, deny the claim, or deny a portion of the claim; and

228   (b) A written statement affirming that an algorithm, an

229 artificial intelligence system, or a machine learning system did

230 not serve as the sole basis for determining whether to reduce

231 the claim payment, deny the claim, or deny a portion of the

232 claim.

233   (7) A health maintenance organization that uses an

234 algorithm, an artificial intelligence system, or a machine

235 learning system as part of its claims-handling process shall

236 detail in its claims-handling manual the manner in which such

237 systems are to be used and the manner in which the health

238 maintenance organization complies with this section.

239   (8) The office may conduct market conduct examinations and

240 investigations or use any method it deems necessary to verify

241 compliance with this section.

242   (9) The commission may adopt rules to implement this

243 section.

244   **Section 4.** This act shall take effect July 1, 2026.

245

246   --

247   **T I T L E   A M E N D M E N T**

248   Remove everything before the enacting clause and insert:

249   An act relating to mandatory human reviews of

250   insurance claim denials; creating s. 440.131, F.S.;

251   defining terms; allowing workers' compensation

252   carriers to use algorithms, artificial intelligence

253   systems, and machine learning systems to assist in

254   processing claims; prohibiting the use of algorithms,

255   artificial intelligence, or machine learning systems

256   as the sole basis for determining whether to reduce a

257   claim payment or deny a claim; requiring that

258   carriers' decisions to deny a claim or reduce a claim

259   be made by qualified human professionals; specifying

260   the duties of qualified human professionals; requiring

261   a carrier to maintain certain records; requiring

262	carriers to include certain information in denial
263	communications to claimants; requiring that certain
264	carriers detail certain information in their claims-
265	handling manual; authorizing the Department of
266	Financial Services to adopt rules; providing
267	penalties; creating s. 627.4263, F.S.; defining terms;
268	allowing insurers to use algorithms, artificial
269	intelligence systems, and machine learning systems to
270	assist in processing claims; prohibiting the use of
271	algorithms, artificial intelligence, or machine
272	learning systems as the sole basis for determining
273	whether to reduce a claim payment or deny a claim;
274	requiring that insurers' decisions to deny a claim or
275	reduce a claim be made by qualified human
276	professionals; specifying the duties of qualified
277	human professionals; requiring an insurer to maintain
278	certain records; requiring insurers to include certain
279	information in denial communications to claimants;
280	requiring that certain insurers detail certain
281	information in their claims-handling manual;
282	authorizing the Office of Insurance Regulation to
283	conduct market conduct examinations and investigations
284	under certain circumstances; authorizing the Financial
285	Services Commission to adopt rules; creating s.
286	641.31090, F.S.; defining terms; allowing health

287 maintenance organizations to use algorithms,

288 artificial intelligence systems, and machine learning

289 systems to assist in processing claims; prohibiting

290 the use of algorithms, artificial intelligence, or

291 machine learning systems as the sole basis for

292 determining whether to reduce a claim payment or deny

293 a claim; requiring that health maintenance

294 organizations' decisions to deny a claim or reduce a

295 claim be made by qualified human professionals;

296 specifying the duties of qualified human

297 professionals; requiring a health maintenance

298 organization to maintain certain records; requiring

299 health maintenance organizations to include certain

300 information in denial communications to claimants;

301 requiring that certain health maintenance

302 organizations detail certain information in their

303 claims-handling manual; authorizing the Office of

304 Insurance Regulation to conduct market conduct

305 examinations and investigations under certain

306 circumstances; authorizing the Financial Services

307 Commission to adopt rules; providing an effective

308 date.

By Senator Bradley

6-00238-26   2026202__

1   A bill to be entitled
2   An act relating to mandatory human reviews of
3   insurance claim denials; creating s. 627.4263, F.S.;
4   defining terms; requiring that insurers' decisions to
5   deny a claim or any portion of a claim be made by
6   qualified human professionals; specifying the duties
7   of qualified human professionals; requiring an insurer
8   to maintain certain records; prohibiting the use of
9   algorithms, artificial intelligence, or machine
10   learning systems as the sole basis for determining
11   whether to adjust or deny a claim; requiring insurers
12   to include certain information in denial
13   communications to claimants; requiring that certain
14   insurers detail certain information in their claims-
15   handling manual; authorizing the Office of Insurance
16   Regulation to conduct market conduct examinations and
17   investigations under certain circumstances;
18   authorizing the Financial Services Commission to adopt
19   rules; providing an effective date.
20
21   Be It Enacted by the Legislature of the State of Florida:
22
23   Section 1. Section 627.4263, Florida Statutes, is created
24   to read:
25   627.4263 Mandatory human reviews of claim denials.—
26   (1) As used in this section, the term:
27   (a) "Algorithm" means a clearly specified mathematical
28   process for computation which uses rules designed to give
29   prescribed results.

6-00238-26   2026202__

30   (b) "Artificial intelligence system" means a machine-based

31 system that may have varying levels of autonomy and that can,

32 for a given set of objectives, generate outputs, such as

33 predictions, recommendations, or content, influencing decisions

34 made in real or virtual environments.

35   (c) "Machine learning system" means an artificial

36 intelligence system that has the ability to learn from provided

37 data without being explicitly programmed.

38   (d) "Qualified human professional" means an individual who,

39 under the Florida Insurance Code, has the authority to adjust or

40 deny a claim or a portion of a claim and may exercise such

41 authority over a particular claim.

42   (2) An insurer's decision to deny a claim or any portion of

43 a claim must be made by a qualified human professional.

44   (3) A qualified human professional shall, before

45 determining whether to adjust or deny a claim or a portion of a

46 claim, do all of the following:

47   (a) Analyze the facts of the claim and the terms of the

48 insurance policy independently of any artificial intelligence

49 system, machine learning system, or algorithm.

50   (b) Review the accuracy of any output generated by such a

51 system or algorithm.

52   (c) Conduct any review of a claim adjustment or claim

53 decision that was made by another qualified human professional.

54   (4) An insurer shall maintain detailed records of the

55 actions of qualified human professionals who are required to

56 perform the actions under subsection (3), including:

57   (a) The name and title of the qualified human professional

58 who made the decision to deny a claim or a portion of a claim

6-00238-26   2026202__

59 and of any qualified human professional who reviewed a claim

60 adjustment or claim decision.

61   (b) The date and time of the claim decision and of any

62 review of the claim adjustment.

63   (c) Documentation of the basis for the denial of the claim

64 or a portion of the claim, including any information provided by

65 an algorithm, an artificial intelligence system, or a machine

66 learning system.

67   (5) An algorithm, an artificial intelligence system, or a

68 machine learning system may not serve as the sole basis for

69 determining whether to adjust or deny a claim.

70   (6) In all denial communications to a claimant, an insurer

71 shall:

72   (a) Clearly identify the qualified human professional who

73 made the decision to deny the claim or a portion of the claim;

74 and

75   (b) Include a statement affirming that an algorithm, an

76 artificial intelligence system, or a machine learning system did

77 not serve as the sole basis for determining whether to deny the

78 claim or a portion of the claim.

79   (7) An insurer that uses an algorithm, an artificial

80 intelligence system, or a machine learning system as part of its

81 claims-handling process shall detail in its claims-handling

82 manual the manner in which such systems are to be used and the

83 manner in which the insurer complies with this section.

84   (8) The office may conduct market conduct examinations and

85 investigations or use any method it deems necessary to verify

86 compliance with this section.

87   (9) The commission may adopt rules to implement this

6-00238-26

2026202__

88 section.

89   Section 2. This act shall take effect July 1, 2026.