House Insurance and Banking Subcommittee
April 3, 2025
8:00 A.M.

Additional Materials:
Meeting Materials
Video

HB 929, Firefighter Health and Safety, by Representative Booth and Representative D. Alvarez

Overview
The bill revises the Florida Firefighters Occupational Safety and Health Act to add occupational illness and suicide to the health and safety risks the Division of State Fire Marshal must monitor and develop rules, policies, and procedures to address. The bill also requires the division to adopt rules related to establishing mental health best practices, issuing gear that does not contain hazardous or toxic substances, notifying firefighters if gear does contain hazardous or toxic substances, and encouraging firefighter employers to limit normally scheduled shifts to 42 hours per week.

The bill may have an indeterminate negative effect on state and local governments and private firefighter employers not declared exempt by s. 633.528(2), F.S. to the extent those governments would need to purchase and issue gear that does not contain hazardous or toxic materials.

Summary
During the committee discussion, Representative Booth presented Amendment 088855, which clarified requirements for replacing firefighter gear with less toxic options. It specified that new purchases must meet safer standards and allowed for phased replacement, in line with current practices. It also addressed terminology—favoring “occupational illness” over “occupational disease”—and expanded best practices for cancer decontamination to include chemical hazard education. The amendment, supported by the CFO’s Office and Florida Professional Firefighters, was adopted.

During public testimony on the bill as amended, Wayne Bernoska, Florida Professional Firefighters, praised the bill’s sponsors for prioritizing firefighter mental and physical health. He emphasized its significance for both current and future members of the fire service. Several members, including Representative Caruso, Representative Hart, Representative Woodson, and Representative Hinson, expressed strong support, highlighting the risks firefighters face daily and the urgency of providing safer gear and mental health resources.

Representative Booth closed on the bill, emphasizing the often-overlooked dangers firefighters face—not just from fires, but from long-term chemical exposure and psychological trauma. She stressed the importance of unwavering legislative support for those who protect others at great personal cost.

HB 929 as amended was reported favorably by a vote of 16-0.

HB 1181, Motor Vehicle Insurance, by Representative D. Alvarez and Representative Weinberger

Overview

HB 1181 repeals the personal injury protection (PIP) coverage requirement under Florida's Motor Vehicle No-Fault Law and increases the minimum bodily injury liability coverage limits from $10,000 per person and $20,000 per incident to $25,000 per person and $50,000 per incident; however, the minimum property damage liability coverage limit remains unchanged at $10,000. The bill also increases the minimum security amounts for persons choosing self-insurance to meet the financial responsibility requirements.

The bill may have a fiscal impact on the state court system and the Office of Insurance Regulation (OIR); however, the bill makes an appropriation of $83,651 in non-recurring funds from the Insurance Regulatory Trust Fund to OIR to address changes made by the bill. The bill may also have an indeterminate economic impact on the private sector. Whether such impact is positive or negative depends on whether the changes made by the bill increase or decrease motor vehicle insurance premiums, and whether or not the elimination of PIP coverage results in the timely and sufficient reimbursement of the medical expenses incurred by persons injured in automobile accidents.

Summary

During questioning, Representative Caruso asked if the bill would increase lawsuits? Representative D. Alvarez responded that since 85% of Floridians already carry some form of BI coverage, the impact would be minimal. Representative Hinson questioned how the bill would impact premiums, to which Representative D. Alvarez acknowledged it's impossible to predict exactly, but suggested there might be neutrality as drivers would be eliminating one payment (PIP) while possibly increasing another (BI). Representative Hinson also inquired about protection against uninsured motorists, and Representative D. Alvarez explained that requiring BI would decrease the need for uninsured motorist coverage, which has become increasingly expensive.

Representative Hart sought clarification on how funds would flow, and Representative D. Alvarez explained the difference between PIP (which pays medical providers directly) and BI (which compensates injured parties). Representative Caruso questioned why uninsured motorists aren't held criminally responsible, to which Representative D. Alvarez offered to co-sponsor such legislation.

Public testimony was extensive and divided. Insurance companies and industry groups (Florida Insurance Council, GEICO, Progressive, State Farm, APCIA, Florida Chamber of Commerce) opposed the bill, arguing that 2023 reforms were already working to reduce fraud and litigation, with some companies reporting PIP rate decreases of 8-15%. They claimed the switch would increase premiums for minimum-coverage drivers by up to 25% and potentially increase uninsured motorists from the current 6% to as high as 16%. Mark Delegal, State Farm, cited a 2021 Pinnacle actuarial study showing rates would nearly double for minimum-coverage drivers in every county.

Health care providers including chiropractors and emergency physicians opposed the bill, noting PIP ensures immediate payment while BI would delay compensation during litigation. Kimberly Driggers, Florida Chiropractic Association, stated PIP allows drug-free, conservative care options and worried chiropractors would be "left holding the bag" for unpaid bills.

Proponents included motorcycle organizations, personal injury attorneys, and accident victims. They emphasized that Florida has the highest insurance rates nationally (nearly $3,900 annually, double the national average) while providing minimal coverage. Several attorneys

described routinely having to tell severely injured clients they have no recourse because at-fault drivers lack bodily injury coverage. A case manager described informing motorcycle accident victims with catastrophic injuries that there's no coverage for their care or lost wages. Motorcycle representatives noted that PIP doesn't cover motorcyclists at all, leaving them particularly vulnerable.

During debate, Representative Steele expressed being "on the fence," concerned about increasing uninsured motorists. Representative Caruso opposed the bill, arguing it would increase litigation and burden courts. Representative Chambliss expressed concerns about impacts on low-income constituents but voted in favor.

In closing, Representative D. Alvarez shared a personal story of being rear-ended at age 20 and finding his insurance insufficient. He emphasized that despite multiple PIP reforms promising lower rates, Florida's rates remain the highest nationally. He concluded that the Committee's responsibility is to protect Floridians, not special interests.

HB 1181 was reported favorably with a vote of 17-1. Representative Caruso voted in opposition.

HB 1431, Pub. Rec./Uniform Mitigation Verification Inspection Forms, by Representative Chaney

Overview
The bill creates a public records exemption for the electronic submissions of the uniform mitigation verification form and the policyholder’s identifying information contained therein.

Summary
The bill was temporarily postponed.

PCS for HB 881, Insurance

Overview
The bill:

- Defines “sufficient evidence” for precluding bad faith actions against liability insurers.
- Authorizes the Florida Department of Law Enforcement (FDLE) to process background checks for insurance personnel.
- Requires fair, documented affiliate compensation; mandates fee-for-service model by July 2026; requires the Office of Insurance Regulation (OIR) approval for payments, dividends, and capital transfers to affiliates.
- Requires all affiliate payments to comply with new standards.
- Requires public adjusters to respond to claim status requests within 14 days.
- Requires annual reports and disclosures for policyowners.
- Updates definitions, surplus and bond requirements for reciprocal insurers; regulates subscriber contributions, savings accounts, and distributions.
- Requires independent subscriber committees with election and oversight duties.
- Repeals outdated provisions; updates merger/conversion procedures.
- Requires reciprocal insurers to maintain unearned premium reserves.

The bill will have an indeterminate fiscal impact.

Summary

The bill was created in response to Committee hearings that revealed concerning practices where insurance companies were using affiliate structures to transfer significant premium dollars to related entities, potentially to the detriment of policyholders.

Representative Griffitts began by explaining that the bill would establish more rigorous oversight by the Office of Insurance Regulation (OIR), requiring insurance companies and their affiliates to submit to greater transparency in their business operations. The bill mandates that affiliate relationships be reviewed every three years, with Representative Griffitts noting this timeframe was subject to further discussion. When Representative Cassell asked why the bill used "may" instead of "shall" regarding OIR's authority to halt transfers during emergencies, Representative Griffitts acknowledged this valid concern and expressed willingness to modify this language.

Representative Gonzalez Pittman inquired about how "fair and reasonable payments" would be determined, with Representative Griffitts explaining that OIR would apply its existing standard. Representative Woodson asked whether the bill would allow OIR to conduct an additional affiliate study and, while Representative Griffitts did not directly confirm this, he emphasized the bill creates "much more oversight" with companies having to return to OIR every three years for approval. When Representative Woodson asked if it would be wiser to wait before proceeding with the bill since investigations were ongoing, Representative Griffitts called it a "fantastic question" and acknowledged the situation was "very fluid," suggesting changes might occur at the next Committee stop.

Representative Hinson asked whether the bill would require a "fully reportable report instead of a draft," and Representative Griffitts confirmed reporting would be required. When asked how the bill would affect consumer premiums, he expressed hope it would "reduce premiums and provide more consumer protections." Representative Gonzalez Pittman pointed out concerns with the terms "fair and reasonable" and "sufficient evidence," asking if the latter had been clearly defined? Representative Griffitts directed her to page six of the bill, where "sufficient evidence" is defined, and page 11, which addresses "fair and reasonable." He welcomed her input on improving this language.
A significant portion of the discussion centered on bad faith provisions. Representative Valdes expressed concerns that the bill's bad faith provisions might cause delays in claims processing, particularly regarding medical records. Representative Griffitts acknowledged the frustration consumers experience with delayed claims and stated the bill aims to address this by defining "sufficient evidence" more clearly. Representative Valdes also asked whether "acting fairly" is defined in the bill, and Representative Griffitts referenced the definition on page 11, though admitted it could be subject to different interpretations.

Representative Steele asked several questions related to long-term care policies, noting that constituents had issues with insurers removing inflationary riders or increasing premiums substantially. When he asked if the bill would retroactively address these issues, Representative Griffitts indicated it would not but suggested OIR could investigate. Representative Steele also questioned how the fingerprinting and background check provisions differed from current requirements, with Representative Griffitts explaining that the bill would transfer this responsibility from the Department of Financial Services directly to FDLE.

Representative Woodson raised concerns about potential conflicts of interest between insurers and affiliates, as the Committee's investigation had revealed many affiliates were owned by insurance companies. Representative Griffitts confirmed the bill addresses this through guardrails, reporting requirements, and transparency measures. He noted that OIR would have to approve dividends, checks, and business model changes involving affiliates. Representative

Woodson also asked about the "single contractual method to compute compensation," which Representative Griffitts confirmed is addressed on page 12 of the bill.

Representative Hart questioned whether insurance companies might leave Florida due to the mandated fee-for-service model and increased OIR oversight? Representative Griffitts expressed confidence that companies would continue to do business in Florida, noting that more carriers had entered the market following the 2023 reforms.

During public testimony, George Feijoo, Florida Insurance Council, opposed the bill, arguing it would have a "chilling effect on capital investment" by requiring dividend approval for any affiliate of an insurer, even those without direct connection to Florida insurance operations. Christopher Ligori, Florida Justice Association, expressed support with reservations, particularly regarding Section One's "sufficient evidence" language, which he claimed was copied from a previous bill (HB 1047) that had raised significant concerns.

William Large, Florida Justice Reform Institute, strongly opposed Section One (lines 126-154), arguing it would effectively undo critical bad faith reforms established in House Bill 837 in 2023. He explained that changing "shall" to "may" on line 131 "eviscerates the bad faith protections" and that redefining "sufficient evidence" would create a scenario where insurers could be more easily set up for bad faith claims. He provided a detailed example involving a fatal motorcycle accident, explaining how the proposed changes would allow attorneys to pursue judgments far exceeding policy limits.

During debate, Representative Miller thanked leadership for prioritizing insurance issues and acting quickly on Committee findings. Representative Chambliss expressed continued concern about trade secrets preventing full transparency but supported the bill. Representative Hinson urged changing the language back from "may" to "shall" regarding bad faith provisions.

Representative Caruso strongly opposed the bill, arguing that the 2023 reforms were already working, with more insurance companies returning to Florida, decreasing lawsuits, falling premiums, and fewer fraud referrals. He questioned why they were "changing course" and expressed concern that the bill would raise insurance rates "across the board." He specifically criticized the weakening of bad faith provisions, which he believed would allow "billboard trial attorneys to use gamesmanship and legal tactics."

Representative Cassel strongly supported the bill, referencing a recent article showing that "14 insurance companies have closed more than 50% of their claims filed in 2024 without payment" despite the 2023 reforms. She criticized insurance companies for opposing transparency while spending millions on advertising and stadium naming rights.

Representative Steele indicated he would support the bill if the bad faith component were changed, sharing a story about a constituent whose long-term care policy was modified when the insurer removed an inflationary rider because they "didn't do [their] actuarial homework."

In closing, Representative Griffitts addressed several concerns, noting the bill does provide OIR authority to impose fines and that proprietary information would be protected from public disclosure while still being shared with OIR. He shared a personal story about Hurricane Michael, recounting how a friend leveraged the threat of a bad faith lawsuit to receive full policy limits after being initially offered $35,000 for a home with severe roof damage. Representative Griffitts emphasized that while not perfect, the bill "elevates transparency, promotes timeliness in claims handling, ensures fair treatment in insurance, strengthens oversight without

overburdening the insurance industry, puts consumers first, acknowledges operational realities, and offers a balanced path forward for Florida insurance."

PCS for HB 881 was reported favorably by a vote of 17-1. Representative Caruso voted in opposition.

PCS for HB 1429, Insurance Regulations

Overview
The bill addresses several matters related to the regulation of insurance in Florida. Specifically, the bill:

- Requires background checks for key insurance personnel and authorizes the Florida Department of Law Enforcement (FDLE) to process fingerprints.
- Requires fair, documented affiliate compensation; mandates fee-for-service model by July 2026; requires the Office of Insurance Regulation (OIR) approval for payments, dividends, and capital transfers to affiliates.
- Requires all affiliate payments to comply with new standards.
- Limits “use and file” rate filings to three per policy period for residential property insurers and one per policy period for private passenger auto insurers.
- Requires consumer-friendly rate transparency reports for property insurers beginning January 1, 2026.
- Requires full rate filings after two years of certification for residential property and private passenger auto.
- Mandates the Office of Insurance Regulation (OIR) to maintain an educational website.
- Provides certain data do not constitute trade secrets qualifying for exemption from public records.
- Overhauls rules for reciprocal insurers, including governance, surplus, and subscriber disclosures.
- Mandates cybersecurity rules for consumer insurance data.
- Allows Citizens policyholders to choose if they want to resolve disputes by arbitration through the Florida Division of Administrative Hearings (DOAH).
- Creates a statewide mitigation inspection database.

The bill will have an indeterminate fiscal impact.

Summary
The bill was temporarily postponed.

Insurer Affiliate Study - Testimony and Discussion: Jan Moenck, Risk & Regulatory Consulting

Summary
The Committee continued an investigation into insurance carriers allegedly improperly moving money to affiliated companies while claiming unprofitability in Florida. Jan Moenck from Risk & Regulatory Consulting (RRC) joined via web cam from Arizona. Chair Yeager reminded committee members that certain information in the RRC review was still subject to trade secret protection under Florida law and they were prohibited from revealing such information during the testimony. Jan Moenck began her opening remarks by explaining RRC's role in working with state insurance regulators across the country.

She detailed that during 2020-2022, the Florida OIR engaged RRC to conduct analyses of fees that Florida property and casualty homeowners insurers paid to related parties or affiliates for services. She explained that RRC's initial affiliated fee analysis (Phase One) was performed as part of a broader contract between RRC and OIR to make available the services of a senior director on an hourly basis. This senior director analyzed fees paid in material related-party transactions for a sample of 16 homeowners insurers that OIR had selected using risk-based analysis to identify insurers with the highest risk of insolvency.

The senior director performed this work from late 2020 through March 2021 and delivered a memorandum dated March 31, 2021, reporting on the analysis. Jan Moenck emphasized that the senior director was not tasked with making final policy recommendations. After completion of that analysis, OIR decided to engage RRC to expand the analysis to include the remaining Florida domestic homeowners insurance companies, dividing them into three additional groups. OIR and RRC entered into a contract for this additional work on October 14, 2021.
She stated that between October 2021 and early 2022, OIR worked to gather necessary information from the insurers, and RRC completed its analysis in the first quarter of 2022. In March 2022, OIR and RRC had a discussion in which OIR provided guidance about items to be covered in the deliverables, though Jan Moenck emphasized that OIR did not dictate what to include. On or around April 1, 2022, RRC provided the completed deliverables to the Director of Property and Casualty Financial Oversight, consisting of an affiliated fee analysis memorandum for each group of insurers plus an executive summary of all the work.

Committee members interrupted with questions regarding whether RRC had completed the report. Jan Moenck confirmed that from RRC's perspective, they had provided a completed report. Representative Cassel asked whether there were conversations between March 31, 2021, and October 14, 2021, about expanding the contract, to which Monk replied she was not involved in any such conversations. Representative Hart asked who completed the first report, and Jan Moenck indicated it was a person who no longer works for RRC.

Representative Anderson noted that the reports received by the Committee were still in draft format and asked why. Jan Moenck explained that stamping documents as "drafts" reflected RRC's typical practice when providing deliverables to clients, as clients might have feedback before considering a deliverable final. She stated that after providing the deliverables in early April 2022, RRC reached out to OIR to determine whether there was any feedback, but received no requests for additional work or follow-up.

Continuing her testimony, Jan Moenck explained that OIR took responsibility for collecting data not already publicly available. Regarding how RRC determined whether fees were "fair and reasonable," she emphasized that RRC was not asked to make a final determination on this question. Instead, they applied a quantitative framework that categorized fees into three buckets: "presumptively fair and reasonable," "presumptively not fair and reasonable," or a middle category indicating more information would be required.

This framework examined whether the combined net income of affiliated entities derived from fees paid by insurers exceeded the combined net income of the insurer itself. Specifically:
1. Where the combined net income of affiliate entities was less than 110% of the insurer's net income, fees were considered "presumptively fair and reasonable";
2. Where it was 110-115%, additional information would be needed;
3. Where it exceeded 115%, fees were considered "presumptively not fair and reasonable".

Monk noted this framework was developed during the initial analysis based on judgment about useful metrics and thresholds, not derived from external criteria. She acknowledged the framework was judgmental, and different thresholds would have impacted results.

Throughout the questioning, Committee members sought clarification on various aspects of the report and RRC's work. Representative Gonzalez Pittman asked about the method of data collection and whether Jan Moenck had noticed any attributes that might indicate similarities among non-responding companies. Representative Woodson asked whether OIR officials had expressed concerns about the guidelines used and requested information about billing hours.

Representative Steele asked about the typical protocol for agencies to respond to final drafts, to which Jan Moenck replied there was no typical timeframe, particularly for projects without regulatory deadlines. Representative Hinson highlighted portions of the report indicating $208 million in fee forgiveness and $951 million in capital contributions during the review period, suggesting these were "red flags" of potential statutory violations. Representative Yeager clarified that determining legal violations was outside RRC's scope.

Representative Anderson noted that the report stated the net income of affiliate companies may have been understated and asked what additional information had been requested to clarify this. Jan Moenck couldn't recall specific details but mentioned they received vastly different levels of information from different companies. Representative Hart asked whether Jan Moenck had communications with OIR about the report since March 2022, to which she replied no, though RRC had done other work for OIR since then.

Representative Valdes asked whether there was a final briefing on the report? Jan Moenck said there was not, despite RRC having requested one in their follow-up communications. Representative Jacques asked about the independent nature of RRC's work and funding? Jan Moenck confirmed that OIR paid RRC's bills, though she was unaware if charges were passed on to others.

Representative Chambliss attempted to determine whether the timeline of non-responsiveness from OIR correlated with administrative changes in leadership. Representative D. Alvarez asked whether the use of trade secrets as a reason for not answering questions was normal compared to other states? Jan Moenck noted that while she had never been involved in this particular type of study for another state, industry concerns about trade secret information were common in all their contracts.

Toward the conclusion of questioning, Representative Kincart Jonsson sought clarification on why RRC had not done recent work for OIR despite a 20-year relationship. Jan Moenck explained they had been "staff challenged" and unable to respond to recent RFPs. Representative Jacques asked whether the report was able to capture the final destination of capital, to which Jan Moenck replied it captured where money went from the insurance company but determining the final destination would require forensic accountants examining each company individually.

In his final question, Representative Jacques asked whether the report reflected behavior where domestic insurers were draining assets and reserves from insurers (with some subsequently collapsing), then "to save the golden goose," flooding money back into the insurance company? Jan Moenck confirmed that the report reflected instances where money was provided to holding companies through affiliated fee agreements or dividends, then returned to insurers through fee forgiveness, capital contributions, or surplus notes.

Representative Yeager made a significant announcement that Speaker Perez had authorized the Subcommittee to expand its investigation by engaging "the best industry-leading forensic examination firm" to investigate shortcomings in how Florida regulators monitor insurer-affiliate relationships and transfers. He emphasized the House's commitment to uncovering any activity "that is not fair and reasonable, any activity that weakens the solvency of our insurers at the expense of our policyholders, any activity that improperly burdens Floridians with high cost and limited coverages." He requested recommendations for the forensic accounting process within the following week and indicated the subcommittee would receive additional investigative meeting time later in the Legislative Session.