



180092

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/04/2015	.	
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The Committee on Banking and Insurance (Smith) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 22 - 57

and insert:

Section 2. Paragraph (a) of subsection (1) of section 626.916, Florida Statutes, is amended to read:

626.916 Eligibility for export.—

(1) No insurance coverage shall be eligible for export unless it meets all of the following conditions:

(a) The full amount of insurance required must not be



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11 procurable, after a diligent effort has been made by the  
12 producing agent to do so, from among the insurers authorized to  
13 transact and actually writing that kind and class of insurance  
14 in this state, and the amount of insurance exported shall be  
15 only the excess over the amount so procurable from authorized  
16 insurers. Surplus lines agents must verify that a diligent  
17 effort has been made by requiring a properly documented  
18 statement of diligent effort, which must be in the form  
19 prescribed by department rule or, if a form is not prescribed by  
20 rule, in the form of an affidavit, from the retail or producing  
21 agent. However, to be in compliance with the diligent effort  
22 requirement, the surplus lines agent's reliance must be  
23 reasonable under the particular circumstances surrounding the  
24 export of that particular risk. Reasonableness shall be assessed  
25 by taking into account factors which include, but are not  
26 limited to, a regularly conducted program of verification of the  
27 information provided by the retail or producing agent.  
28 Declinations must be documented on a risk-by-risk basis. If it  
29 is not possible to obtain the full amount of insurance required  
30 by layering the risk, it is permissible to export the full  
31 amount.

32 Section 3. Section 626.931, Florida Statutes, is amended to  
33 read:

34 626.931 ~~Agent affidavit and~~ Insurer reporting  
35 requirements.-

36 ~~(1) Each surplus lines agent shall on or before the 45th~~  
37 ~~day following each calendar quarter file with the Florida~~  
38 ~~Surplus Lines Service Office an affidavit, on forms as~~  
39 ~~prescribed and furnished by the Florida Surplus Lines Service~~



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40 ~~Office, stating that all surplus lines insurance transacted by~~  
41 ~~him or her during such calendar quarter has been submitted to~~  
42 ~~the Florida Surplus Lines Service Office as required.~~

43 ~~(2) The affidavit of the surplus lines agent shall include~~  
44 ~~efforts made to place coverages with authorized insurers and the~~  
45 ~~results thereof.~~

46 (1)~~(3)~~ Each foreign insurer accepting premiums shall, on or  
47 before the end of the month following each calendar quarter,  
48 file with the Florida Surplus Lines Service Office a verified  
49 report of all surplus lines insurance transacted by such insurer  
50 for insurance risks located in this state during such calendar  
51 quarter.

52 (2)~~(4)~~ Each alien insurer accepting premiums shall, on or  
53 before June 30 of each year, file with the Florida Surplus Lines  
54 Service Office a verified report of all surplus lines insurance  
55 transacted by such insurer for insurance risks located in this  
56 state during the preceding calendar year.

57 (3)~~(5)~~ The department may waive the filing requirements  
58 described in subsections (1) and (2) ~~(3)~~ and ~~(4)~~.

59 (4)~~(6)~~ Each insurer's report and supporting information  
60 shall be in a computer-readable format as determined by the  
61 Florida Surplus Lines Service Office or shall be submitted on  
62 forms prescribed by the Florida Surplus Lines Service Office and  
63 shall show for each applicable agent:

64 (a) A listing of all policies, certificates, cover notes,  
65 or other forms of confirmation of insurance coverage or any  
66 substitutions thereof or endorsements thereto and the  
67 identifying number; and

68 (b) Any additional information required by the department



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69 or Florida Surplus Lines Service Office.

70 Section 4. Paragraph (a) of subsection (2) of section  
71 626.932, Florida Statutes, is amended to read:

72 626.932 Surplus lines tax.—

73 (2) (a) The surplus lines agent shall make payable to the  
74 department the tax related to each calendar quarter's business  
75 as reported to the Florida Surplus Lines Service Office, and  
76 remit the tax to the Florida Surplus Lines Service Office on or  
77 before the 45th day following each calendar quarter ~~at the same~~  
78 ~~time as provided for the filing of the quarterly affidavit,~~  
79 ~~under s. 626.931.~~ The Florida Surplus Lines Service Office shall  
80 forward to the department the taxes and any interest collected  
81 pursuant to paragraph (b), within 10 days of receipt.

82 Section 5. Paragraph (d) of subsection (1) of section  
83 626.935, Florida Statutes, is amended to read:

84 626.935 Suspension, revocation, or refusal of surplus lines  
85 agent's license.—

86 (1) The department shall deny an application for, suspend,  
87 revoke, or refuse to renew the appointment of a surplus lines  
88 agent and all other licenses and appointments held by the  
89 licensee under this code, on any of the following grounds:

90 ~~(d) Failure to make and file his or her affidavit or~~  
91 ~~reports when due as required by s. 626.931.~~

92 Section 6. Subsection (1) of section 626.936, Florida  
93 Statutes, is amended to read:

94 626.936 Failure to file reports or pay tax or service fee;  
95 administrative penalty.—

96 (1) Any licensed surplus lines agent who neglects to file a  
97 report ~~or an affidavit~~ in the form and within the time required



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98 or provided for in the Surplus Lines Law may be fined up to \$50  
99 per day for each day the neglect continues, beginning the day  
100 after the report ~~or affidavit~~ was due until the date the report  
101 ~~or affidavit~~ is received. All sums collected under this section  
102 shall be deposited into the Insurance Regulatory Trust Fund.  
103

104 ===== T I T L E A M E N D M E N T =====

105 And the title is amended as follows:

106 Delete lines 2 - 9

107 and insert:

108 An act relating to insurance; amending s. 624.425,  
109 F.S.; providing that the absence of a countersignature  
110 does not affect the validity of a policy or contract  
111 of insurance; amending s. 626.916, F.S.; requiring the  
112 statement of diligent effort from a retail or  
113 producing agent be in a specified form; amending s.  
114 626.931, F.S.; deleting provisions that require  
115 surplus lines agents to file a quarterly affidavit  
116 with the Florida Surplus Lines Office; amending ss.  
117 626.932, 626.935, and 626.936, F.S.; conforming  
118 provisions to changes made by act; providing that the  
119 act is remedial and