Committee on Banking and Insurance

CS/CS/HB 175 — Payment Stablecoin

by Commerce Committee; Insurance & Banking Subcommittee; and Reps. Barnaby, Giallombardo, and others (CS/CS/SB 314 by Rules Committee; Banking and Insurance Committee; and Senator Burton)

CS/CS/HB 175 establishes a regulatory framework for state-qualified payment stablecoin issuers ("issuers") that is substantially similar to the Guiding and Establishing National Innovation for U.S. Stablecoins Act ("GENIUS Act"). The bill establishes issuers as a separate category of money services business (MSB) and authorizes a trust company to obtain certificate of approval to engage in limited issuer activities. Effective October 1, 2026, the bill:

- Prohibits a person from engaging in authorized issuer activity without being licensed as an MSB
- or obtaining a certificate of approval as a trust company from the Office of Financial Regulation (OFR).
- Provides factors and requirements that must be met for issuers to become licensed or approved.
- Provides that certain issuers are not required to be licensed or obtain a certificate of approval.
- Limits the activities in which issuers may engage.
- Requires issuers to comply with minimum prudential requirements in accordance with the GENIUS Act.
- Updates provisions in current law to apply to stablecoins.

Issuers that are not required to be licensed or obtain a certificate of approval include federally qualified payment stablecoin issuers or out-of-state state qualified payment stablecoin issuers. The bill provides that stablecoins meeting specified requirements are not a security. Transactions between two individuals not involving an intermediary and other specified transactions are not regulated under the provisions in the bill. The bill requires an issuer with a consolidated total issuance that reaches $10 billion to transition to federal oversight unless a waiver is obtained.

Current laws are updated to apply to stablecoins including anti-money laundering laws and prohibitions against unlicensed activities. Issuers must annually certify to the OFR that the issuer has implemented anti-money laundering and economic sanctions compliance programs that meet certain requirements. The OFR must make the certifications available to the Secretary of Treasury upon request and may revoke an issuer's license or refer the matter to certified attorneys general in specified circumstances.

The OFR must comply with certification and annual recertification requirements as provided in the GENIUS Act. The bill requires the OFR to submit its initial certification application and recertification application within specified timeframes. The OFR must include relevant information relating to issuers under MSB and trust company provisions in seeking certification for the state regulatory regime for stablecoin issuers.

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The OFR is required to adopt rules to implement the bill consistent with certain provisions of the GENIUS Act and has authority to adopt rules relating to several topics to implement the provisions of the bill.

If approved by the Governor, or allowed to become law without the Governor's signature, these provisions take effect upon becoming law.

Vote: Senate 37-0; House 102-2

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Committee on Banking and Insurance

SB 394 — Reinsurance Intermediary Managers

by Senator Leek

SB 394 exempts from reinsurance intermediary manager licensing requirements an underwriting manager who manages assumed facultative risks for a reinsurer, if the facultative reinsurance business managed by the underwriting manager is less than 10 percent of the assumed annual gross written premium of the reinsurer. Facultative reinsurance is a type of reinsurance in which each individual risk, such as a specific vehicle or home, is separately negotiated and covered.

The bill does not impact state expenditures or revenues.

If approved by the Governor, or allowed to become law without the Governor's signature, these provisions take effect on July 1, 2026.

Vote: Senate 37-0; House 111-1

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Committee on Banking and Insurance

CS/HB 505 — Virtual Currency Kiosks

by Commerce Committee and Reps. Owen, Daley, and others (CS/CS/SB 198 by Rules Committee; Banking and Insurance Committee; and Senators Rouson and Arrington)

CS/HB 505 establishes a regulatory framework for virtual currency kiosks and protects users of kiosks by:

- Requiring virtual currency kiosk businesses (except licensed money transmitters) to register with the Office of Financial Regulation and updating disciplinary actions and unlicensed activities sections to apply to registered entities.
- Requiring that virtual currency kiosks must:
  - Ask each customer the amount of any other virtual currency transactions that the customer conducted on the same calendar day; and
  - Provide a notice to customers that fraud often begins with contact from strangers lying about their identity and that if the customer was directed to the kiosk by someone the customer does not personally know, the customer should stop the transaction and contact a financial advisor or law enforcement.
- Restricting the total dollar amount of all transactions per customer each calendar day to $2,000 for new customers and $10,000 for existing customers.
- Requiring a customer to be provided with the choice of a physical or electronic receipt that includes specified information.
- Requiring full refunds of fraudulent transactions in specified circumstances.

If approved by the Governor, or allowed to become law without the Governor's signature, these provisions take effect on January 1, 2027.

Vote: Senate 37-0; House 107-0

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Committee on Banking and Insurance

CS/CS/SB 598 — Funeral, Cemetery, and Consumer Services

by Appropriations Committee on Agriculture, Environment, and General Government; Banking and Insurance Committee; and Senator Truenow

The bill revises chapter 497, F.S., the Florida Funeral, Cemetery, and Consumer Services Act (Act), which provides for the regulation of funeral and cemetery services. The bill:

- Prohibits licensees from contracting to become the exclusive or sole provider of funeral, cremation, refrigeration, or removal services for any entity that provides medical, palliative, or other end-of-life care and services to the general public.
- Allows licensees to dispose of human remains that have been in their lawful possession for at least 90 days if the legally authorized person of the decedent fails, neglects, or refuses to direct the disposition.
- Provides that the minimum acreage of a cemetery must be contiguous, except that parcels of land divided solely by a public right-of-way or public road may be considered contiguous, provided the parcels are in close geographic proximity and form a unified cemetery property.
- Revises licensure requirements, providing that:
  - Licensure by endorsement as an embalmer, funeral director, or a combination funeral director and embalmer for an applicant that holds a valid license in another state and has at least five years' experience of licensed practice in that state does not require educational or testing requirements other than passage of the examination on local, state, and federal laws and rules relating to the disposition of dead human bodies.
  - The educational requirements that a funeral director licensure applicant who has not completed the educational credentials required for the license are revised to remove passage of a college course in mortuary or funeral service law.
  - Licensure as a combination funeral director and embalmer intern, a licensure that is available to applicants who have not completed the educational credentials required for a combination license as both a funeral director and embalmer, requires either an associate degree or higher from an accredited college or university or current enrollment in an accredited college in an accredited course of study in mortuary science.
- Exempts prepaid funeral contracts from the insurable interest requirements of the Florida Insurance Code.
- Allows a preneed licensee to send written notice to the last known e-mail or mailing address of the purchaser or beneficiary's legally authorized person that the preneed licensee intends to distribute funds related to unfulfilled services.

The bill does not impact state expenditures or revenues.

If approved by the Governor, or allowed to become law without the Governor's signature, these provisions take effect on July 1, 2026.

Vote: Senate 37-0; House 104-0

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Committee on Banking and Insurance

CS/SB 772 — Limited Licenses for Portable Electronics or Eyewear Insurance

by Banking and Insurance Committee and Senator Burgess

CS/SB 772 expands the scope of limited insurance agent licenses issued to qualified applicants for the limited line of portable electronics to include eyewear insurance. The bill specifies that such license does not require a licensee to sell both portable electronics and eyewear, and includes statutory construction to clarify that two separate licenses are not required to sell, or offer for sale, portable electronics or eyewear insurance.

The bill includes limited licenses as agents for eyewear to the list of those exempt from examination requirements and knowledge, experience, or instruction requirements. The bill also extends claims processing exemptions specifically for portable electronic device insurance claims to eyewear insurance claims.

The bill defines the term “eyewear” to include smart glasses and nonelectronic glasses, and the term “nonelectronic eyewear” is defined to include prescription and nonprescription glasses and sunglasses. The bill amends the definition of “portable electronics” to modernize the definition to include newer technologies. The bill removes the obsolete definition of the term “portable electronics transaction.”

If approved by the Governor, or allowed to become law without the Governor's signature, these provisions take effect on July 1, 2026.

Vote: Senate 36-0; House 113-0

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Committee on Banking and Insurance

CS/CS/HB 883 — Protected Cell Captive Insurance Companies

by Commerce Committee; Insurance & Banking Subcommittee; and Rep. Fabricio and others (SB 990 by Senator Leek)

The bill authorizes the creation of a specific type of captive insurance company in Florida – protected cell captive insurance companies. Captive insurance is a specialized form of self-insurance allowing a business to create its own insurance company to cover specific types of risk; an insurance company that is owned and controlled by the business it insures.

A "protected cell" captive insurance company (PCC) is a single legal insurance entity that allows legally segregated companies to effectively receive the benefits of the captive insurance model without the costs of the full set-up of a standalone captive insurance company. The business joins the PCC but its assets are kept in its own walled-off cell. The assets in one participant's account may not be used to pay liabilities in another unless the respective participants have entered into an agreement to do so. Each cell functions like a separate company protecting its finances from other cells and the core's general business.

The bill establishes the requirements for a domestic PCC, which include that:

- A PCC must establish and maintain minimum capital or net assets of $100,000 and an unimpaired surplus of at least $100,000.
- A PCC must be incorporated as a stock insurer with its capital divided into shares and held by the stockholders, as a mutual corporation, as a nonprofit corporation, or as a limited liability company.
- An applicant to form a PCC must file information with the Office of Insurance Regulation (OIR) detailing how it will account for the expense experience of each cell, acknowledging OIR's jurisdiction to inspect or examine financial records, all contracts, and evidence that expenses will be allocated to each cell fairly and equitably.
- The creation of protected cells is subject to OIR approval and attributions of assets and liabilities between a cell and the general count must be in accordance with the plan and operation and participant contracts approved by the OIR.
- A PCC must establish procedures to properly identify each protected cell and the assets and liabilities attributable to each protected cell and to keep such assets separate from the assets of the PCC's general account and other protected cells, except that the assets of multiple cells may be combined for the purposes of investment.
- Upon an order of supervisions, rehabilitation, or liquidation of a PCC, the receiver shall manage the assets and liabilities of the PCC.
- Assets of a protected cell may not be used to pay any expenses or claims other than those attributable to such protected cell.

The bill has an indeterminate impact on state revenues and expenditures. Depending on the number of insurance companies which choose this model, the implementation of the bill may affect the Office of Insurance Regulation. However, such impact can be absorbed within existing resources.

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Vote: Senate 37-0; House 110-0

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Committee on Banking and Insurance

CS/CS/SB 1028, 1st Eng. — Citizens Property Insurance Corporation

by Fiscal Policy Committee; Banking and Insurance Committee; and Senator Gruters

The bill requires Citizens Property Insurance Corporation (Citizens) to establish clearinghouses to facilitate the diversion of applicants for commercial lines coverage and existing commercial lines policyholders away from Citizens and towards authorized insurers or, if there is no offer from an authorized insurer, surplus lines insurers.

Citizens must, by January 1, 2027, establish two separate clearinghouses, one where authorized insurers – insurers authorized by the Office of Insurance Regulation (OIR) to operate in this state – may offer commercial lines coverage to commercial lines residential and commercial lines nonresidential risks, and a second clearinghouse where surplus lines insurers – unauthorized insurers who are made eligible by OIR to offer insurance coverage to risks that cannot obtain offers from authorized insurers – may offer coverage to such risks. The bill exempts Citizens from establishing a commercial clearinghouse for which there is insufficient commercial support until such time there is sufficient commercial support.

Under the clearinghouse process established by the bill, before Citizens binds or renews commercial coverage, it must require all new applications for Citizens coverage and all policies due for renewal to be initially submitted to the commercial clearinghouse for authorized insurance where authorized insurers may offer coverage to the risk. A commercial lines residential risk is ineligible for Citizens coverage upon receiving an offer of comparable coverage from an authorized insurer that is not more than 20 percent greater than the cost of Citizens coverage. A commercial lines nonresidential risk is ineligible for Citizens upon receiving any offer of coverage from an authorized insurer. If within five business days no authorized insurer makes an offer of coverage that would render the risk ineligible for Citizens, the risk is then submitted to the commercial lines clearinghouse for surplus lines insurance. A commercial lines residential risk or a commercial lines nonresidential risk is ineligible for Citizens upon receiving an offer of comparable coverage from an approved surplus lines clearinghouse insurer if the total cost of coverage is not more than 15 percent greater than the total cost of Citizens coverage. The bill defines "comparable coverage," for purposes of commercial lines insurance, as coverage that is equivalent to or better than coverage from Citizens as to all aspects of such coverage, as determined by Citizens through the clearinghouse process and applicable program standards. Administrative, procedural, and other such terms and conditions may not be considered when assessing comparable coverage.

Each commercial clearinghouse must be operated by a clearinghouse administrator that meets certain criteria. Citizens must select a clearinghouse administrator for each commercial clearinghouse within 90 days of the effective date of this act. Citizens may provide funds to operate the personal lines clearinghouse and the commercial lines clearinghouse for authorized insurance. The bill specifies that insurers and agents participating in those clearinghouses are not required to pay fees to fund or use those clearinghouses. For purposes of establishing the commercial lines clearinghouse for surplus lines insurance, Citizens may contract with individuals or entities in accordance with s. 287.057, F.S., which provides the competitive

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solicitation and procurement process for state agencies. Citizens may not fund the infrastructure or operations of the commercial lines clearinghouse for surplus lines insurance or any of its components, but must fund and operate its own technology, systems, interfaces, or applications necessary to access and interface with the commercial lines clearinghouse for surplus lines insurance.

Any authorized insurer may participate in the commercial lines clearinghouse for authorized insurers, but only approved surplus lines clearinghouse insurers may participate in the commercial lines clearinghouse for authorized insurers. An approved surplus lines clearinghouse insurer must have: a financial strength rating of A- or higher and a financial size category of A-VII or higher from A.M. Best Company; be recommended for participation by the clearinghouse administrator; and be verified by OIR as meeting clearinghouse program standards.

The OIR must initially, and annually thereafter, review and approve the Citizens clearinghouse program through a final order. The OIR must specifically approve the applicable program standards, procedural rules, contractual agreements relating to the program (between any combination of Citizens, any commercial lines clearinghouse administrator, or any approved surplus lines clearinghouse insurer), the operational processes used by any commercial lines clearinghouse administrator to determine comparable coverage for whether an offer of coverage makes a risk ineligible for Citizens coverage, and controls relating to data and proprietary business information. Any changes to the foregoing standards are also subject to OIR approval.

The bill also provides that:

- Citizens must submit to the clearinghouse administrator of the commercial lines clearinghouse for surplus lines insurance its coverage terms and conditions, deductible structures, total cost of coverage for the risk, and the premium charged for the risk; the clearinghouse administrator must then disclose the total cost of insurance coverage to participating approved surplus lines clearinghouse insurers making an offer of comparable coverage.
- Citizens must share risk exposure and policy information with the clearinghouse administrator for the commercial lines clearinghouse for surplus lines insurance, which the clearinghouse administrator may share with approved surplus lines clearinghouse insurers for underwriting evaluation, although any risk information shared with such insurers for purposes other than a submission of coverage for a specific risk must be aggregated and de-identified.
- A surplus lines agent that enters into a limited agency or broker agreement with an approved surplus lines clearinghouse insurer making an offer of coverage through the program must also enter into a limited agency or broker agreement with each producing agent for the customer.
- Approved surplus lines clearinghouse insurers must, when coverage is placed through the clearinghouse, pay a specified commission to the surplus lines agent placing the risk; the surplus lines agent placing the risk must pay the producing agent a commission that results in an effective commission percentage at least equal to that published by Citizens and in effect on January 1, 2026.

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- The notice of nonrenewal requirements of s. 627.4133, F.S., does not apply when a policy is nonrenewed by Citizens because the risk received an offer of coverage from an approved surplus liens clearinghouse insurer that renders a risk ineligible for Citizens, however, the risk will remain eligible for Citizens unless within five days after such coverage offer is made, the clearinghouse administrator gives the first-named insured written notice of nonrenewal stating the reason the policy is not being renewed.
- Citizens may not apply discretionary rate adjustments to specific risks submitted to the commercial lines clearinghouse for surplus lines insurance.
- The Citizens clearinghouse statute does not authorize rebates or any activity that violates the Unfair Insurance Trade Practices Act, and Citizens and each commercial lines clearinghouse administrator must implement procedure to ensure that participating insurers and agents are not induced to violate the Unfair Insurance Trade Practices Act.

If approved by the Governor, or allowed to become law without the Governor's signature, these provisions take effect upon becoming law.

Vote: Senate 33-1; House 88-19

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Committee on Banking and Insurance

CS/CS/HB 1087 — Pub. Rec./Office of Financial Regulation

by State Affairs Committee; Government Operations Subcommittee; and Reps. Grow and Blanco (SB 7044 by Banking and Insurance Committee)

CS/CS/HB 1087 expands current public records exemptions that apply to money services businesses and financial institutions, including anti-money laundering provisions, to exempt records relating to:

- Virtual currency kiosk businesses ("kiosk business") under CS/CS/SB 198 (CS/HB 505).
- Qualified payment stablecoin issuers ("stablecoin issuer") under CS/CS/SB 314 (CS/CS/HB 175).
- Custodians of gold and silver coin ("custodians") that is made legal tender under Chapter 100-2025, L.O.F.

This is done by reenacting public records exemptions relevant to kiosk businesses, stablecoin issuers, and custodians. The bill provides updated public necessity statements relating to the kiosk businesses, stablecoin issuers, and custodians. Each section of the bill provides an effective date for the reenactment of a current public records exemption or a public necessity statement that is linked to the passage of the applicable bill.

The public records exemptions in the bill are subject to the Open Government Sunset Review Act and are repealed on October 2, 2031, unless reenacted by the Legislature.

If approved by the Governor, or allowed to become law without the Governor's signature, these provisions take effect upon becoming law.

Vote: Senate 31-3; House 109-0

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Committee on Banking and Insurance

CS/CS/SB 1568, 1st Eng. — Use of Digital Currency by the Department of Financial Services

by Appropriations Committee on Agriculture, Environment, and General Government; Banking and Insurance Committee; and Senator DiCeglie

CS/CS/SB 1568 establishes the Florida Stablecoin Pilot Program (the "program") which allows the Department of Financial Services (the "Department") to accept stablecoins for the payment of government fees, purchase, hold, or disburse any payment stablecoins ("stablecoins") that are designated by the Department and meet certain criteria. The legislative intent of the voluntary program is to yield benefits from acceptance of stablecoins for the payment of governmental fees.

Any yields earned on stablecoins must be credited to the benefit of the state. Within a reasonable time of receiving a payment stablecoin, the Department must convert stablecoins to U.S. currency and credit the applicable account in a qualified public depository, unless an exception applies. The Department must attempt to minimize the amount of potential fees when converting the payment stablecoin.

The bill authorizes the Department to designate one or more stablecoins for the authorized activities. The Department may not engage in any authorized activities, including designating a payment stablecoin, if there are no permitted payment stablecoin issuers approved by the federal or a state government. Designated stablecoins must meet several requirements, including compliance with relevant federal and state laws, having a minimum market capitalization, being fully backed by reserve assets on a one-to-one basis, being subjected to reasonable network or exchange platform fees, and being issued by a permitted payment stablecoin issuer.

An applicant, a licensee, or other program participant may elect to participate in the program and remit designated stablecoins to a compatible digital wallet address designated by the Department. The Department is required to provide a compatible digital wallet address for the receipt of designated stablecoins. A participant that elects to receive authorized disbursements in designated stablecoin must provide the Department with a compatible digital wallet address where payment may be sent.

The Department is authorized to conduct examinations, audits, and investigations of the designated stablecoin issuer to verify asset backing, redeemability, and adherence to consumer protection standards, including standards related to fraud prevention and dispute resolution. The Department is required to coordinate with the Office of Financial Regulation (OFR) when conducting such activity. The Department must monitor and evaluate specific data regarding the program, and submit an annual report to the Governor, Senate President, and Speaker of the House of Representatives with specified information.

The bill provides statutory construction to clarify the scope and voluntariness of the program. The bill does not relieve the Chief Financial Officer or the Department from any obligation to

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secure public funds in a qualified public depository unless an exception applies or the stablecoins are held in a manner similar to United States Treasury obligations. The Department is authorized to give preference to state qualified payment stablecoin issuers approved by the OFR. The bill authorizes the Department to adopt rules to implement the program.

If approved by the Governor, or allowed to become law without the Governor's signature, these provisions take effect upon becoming law.

Vote: Senate 34-0; House 108-3

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