Tab 1	**SB 512** by **Burgess**; (Identical to H 00619) Public Records/Application for a De Novo Banking Charter

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188548  D       S     RCS         BI, Burgess             Delete everything after  02/16 04:48 PM
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Tab 2	**SB 702** by **Thurston**; (Similar to H 00253) Individual Retirement Accounts

Tab 3	**SB 728** by **Broxson**; (Identical to H 00733) Credit for Reinsurance

The Florida Senate

COMMITTEE MEETING EXPANDED AGENDA

BANKING AND INSURANCE
Senator Boyd, Chair
Senator Broxson, Vice Chair

MEETING DATE: Tuesday, February 16, 2021
TIME: 3:30—6:00 p.m.
PLACE: *Pat Thomas Committee Room,* 412 Knott Building

MEMBERS: Senator Boyd, Chair; Senator Broxson, Vice Chair; Senators Brandes, Burgess, Gruters, Passidomo, Rodrigues, Rouson, Stargel, Stewart, Taddeo, and Thurston

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
	PUBLIC TESTIMONY WILL BE RECEIVED FROM ROOM A3 AT THE DONALD L. TUCKER CIVIC CENTER, 505 W PENSACOLA STREET, TALLAHASSEE, FL 32301		
1	**SB 512** Burgess (Identical H 619)	Public Records/Application for a De Novo Banking Charter; Providing an exemption from public records requirements for certain information received by the Office of Financial Regulation pursuant to an application for a de novo banking charter; providing for future legislative review and repeal of the exemption; providing a statement of public necessity, etc. BI 02/16/2021 Fav/CS GO RC	Fav/CS Yeas 11 Nays 0
2	**SB 702** Thurston (Similar H 253)	Individual Retirement Accounts; Specifying that interests in certain individual retirement funds or accounts which are exempt from creditor claims continue to be exempt after certain transfers incident to divorce; providing retroactive applicability, etc. BI 02/16/2021 Favorable JU RC	Favorable Yeas 11 Nays 0
3	**SB 728** Broxson (Identical H 733)	Credit for Reinsurance; Transferring specified authority and duties relating to credit for reinsurance from the Commissioner of Insurance to the Office of Insurance Regulation; revising the attorney designation requirement in reinsurance agreements with certain assuming insurers under certain circumstances; specifying requirements for assuming insurers and reinsurance agreements; authorizing a ceding insurer or its representative that is subject to rehabilitation, liquidation, or conservation to seek a certain court order; providing construction, etc. BI 02/16/2021 Favorable JU RC	Favorable Yeas 11 Nays 0

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
	Other Related Meeting Documents		

The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: CS/SB 512

INTRODUCER: Banking and Insurance Committee and Senator Burgess

SUBJECT: Public Records/Application for a De Novo Banking Charter

DATE: February 17, 2021 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Schrader	Knudson	BI	**Fav/CS**
2.			GO	
3.			RC	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 512 amends s. 655.057, F.S., to make confidential and exempt from public inspection and copying requirements certain information provided by an applicant for authorization to establish a new state bank (i.e. an application for a de novo banking charter) to the Office of Financial Regulation (OFR), except as otherwise provided in the section. The public records exemption does not apply to those portions that are public records.

The bill makes findings that the new exemption from public records disclosure is a public necessity as required by the Florida Constitution. Two-thirds vote of both the House and the Senate is required for final passage.

Pursuant to the Open Government Sunset Review Act, this public records exemption is scheduled to repeal October 2, 2026, unless reviewed and saved from repeal though reenactment by the Legislature.

This bill takes effect July 1, 2021.

II. Present Situation:

Access to Public Records – Generally

The Florida Constitution provides that the public has the right to inspect or copy records made or received in connection with official governmental business.[1] The right to inspect or copy applies to the official business of any public body, officer, or employee of the state, including all three branches of state government, local governmental entities, and any person acting on behalf of the government.[2]

Additional requirements and exemptions related to public records are found in various statutes and rules, depending on the branch of government involved. For instance, s. 11.0431, F.S., provides public access requirements for legislative records. Relevant exemptions are codified in s. 11.0431(2)-(3), F.S., and the statutory provisions are adopted in the rules of each house of the legislature.[3] Florida Rule of Judicial Administration 2.420 governs public access to judicial branch records.[4] Lastly, ch. 119, F.S., provides requirements for public records held by executive agencies.

Executive Agency Records – The Public Records Act

Chapter 119, F.S., known as the Public Records Act, provides that all state, county, and municipal records are open for personal inspection and copying by any person, and that providing access to public records is a duty of each agency.[5]

A public record includes virtually any document or recording, regardless of its physical form or how it may be transmitted.[6] The Florida Supreme Court has interpreted the statutory definition of "public record" to include "material prepared in connection with official agency business which is intended to perpetuate, communicate, or formalize knowledge of some type.[7]

The Florida Statutes specify conditions under which public access to public records must be provided. The Public Records Act guarantees every person's right to inspect and copy any public record at any reasonable time, under reasonable conditions, and under supervision by the

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[1] FLA. CONST. art. I, s. 24(a).
[2] *Id.*
[3] *See* Rule 1.48, *Rules and Manual of the Florida Senate*, (2020-2022) and Rule 14.1, *Rules of the Florida House of Representatives*, Edition 1, (2020-2022).
[4] *State v. Wooten*, 260 So. 3d 1060 (Fla. 4th DCA 2018).
[5] Section 119.01(1), F.S. Section 119.011(2), F.S., defines "agency" as "any state, county, district, authority, or municipal officer, department, division, board, bureau, commission, or other separate unit of government created or established by law including, for the purposes of this chapter, the Commission on Ethics, the Public Service Commission, and the Office of Public Counsel, and any other public or private agency, person, partnership, corporation, or business entity acting on behalf of any public agency."
[6] Section 119.011(12), F.S., defines "public record" to mean "all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business by any agency."
[7] *Shevin v. Byron, Harless, Schaffer, Reid and Assoc., Inc*., 379 So. 2d 633, 640 (Fla. 1980).

custodian of the public record.[8] A violation of the Public Records Act may result in civil or criminal liability.[9]

The Legislature may exempt public records from public access requirements by passing a general law by a two-thirds vote of both the House and the Senate.[10] The exemption must state with specificity the public necessity justifying the exemption and must be no broader than necessary to accomplish the stated purpose of the exemption.[11]

General exemptions from the public records requirements are contained in the Public Records Act.[12] Specific exemptions often are placed in the substantive statutes relating to a particular agency or program.[13]

When creating a public records exemption, the Legislature may provide that a record is "exempt" or "confidential and exempt." Custodians of records designated as "exempt" are not prohibited from disclosing the record; rather, the exemption means that the custodian cannot be compelled to disclose the record.[14] Custodians of records designated as "confidential and exempt" may not disclose the record, except under circumstances specifically defined by the Legislature.[15]

Open Government Sunset Review Act

The Open Government Sunset Review Act[16] (the Act) prescribes a legislative review process for newly created or substantially amended[17] public records or open meetings exemptions, with specified exceptions.[18] It requires the automatic repeal of each such exemption on October 2nd of the fifth year after it is created or substantially amended, unless the Legislature reenacts the exemption.[19] However, an exemption may be reviewed under the Open Government Sunset Review Act prior to the fifth year since enactment.

[8] Section 119.07(1)(a), F.S.
[9] Section 119.10, F.S. Public records laws are found throughout the Florida Statutes, as are the penalties for violating those laws.
[10] FLA. CONST. art. I, s. 24(c).
[11] *Id. See, e.g.*, *Halifax Hosp. Medical Center v. News-Journal Corp.,* 724 So. 2d 567 (Fla. 1999) (holding that a public meetings exemption was unconstitutional because the statement of public necessity did not define important terms and did not justify the breadth of the exemption); *Baker County Press, Inc. v. Baker County Medical Services, Inc.*, 870 So. 2d 189 (Fla. 1st DCA 2004) (holding that a statutory provision written to bring another party within an existing public records exemption is unconstitutional without a public necessity statement).
[12] *See, e.g.*, s. 119.071(1)(a), F.S. (exempting from public disclosure examination questions and answer sheets of examinations administered by a governmental agency for the purpose of licensure).
[13] *See, e.g.*, s. 213.053(2)(a), F.S. (exempting from public disclosure information contained in tax returns received by the Department of Revenue).
[14] *See Williams v. City of Minneola*, 575 So. 2d 683, 687 (Fla. 5th DCA 1991).
[15] *WFTV, Inc. v. The School Board of Seminole*, 874 So. 2d 48 (Fla. 5th DCA 2004).
[16] Section 119.15, F.S.
[17] An exemption is considered to be substantially amended if it is expanded to include more records or information or to include meetings as well as records. Section 119.15(4)(b), F.S.
[18] Section 119.15(2)(a) and (b), F.S., provide that exemptions that are required by federal law or are applicable solely to the Legislature or the State Court System are not subject to the Open Government Sunset Review Act.
[19] Section 119.15(3), F.S.

The Act provides that a public records or open meetings exemption may be created or maintained only if it serves an identifiable public purpose and is no broader than is necessary.[20] An exemption serves an identifiable purpose if it meets one of the following purposes *and* the Legislature finds that the purpose of the exemption outweighs open government policy and cannot be accomplished without the exemption:

- It allows the state or its political subdivisions to effectively and efficiently administer a governmental program, and administration would be significantly impaired without the exemption;[21]
- It protects sensitive, personal information, the release of which would be defamatory, cause unwarranted damage to the good name or reputation of the individual, or would jeopardize the individual's safety. If this public purpose is cited as the basis of an exemption, however, only personal identifying information is exempt;[22] or
- It protects information of a confidential nature concerning entities, such as trade or business secrets.[23]

The Act also requires specified questions to be considered during the review process.[24] In examining an exemption, the Act directs the Legislature to carefully question the purpose and necessity of reenacting the exemption.

If the exemption is continued and expanded, then a public necessity statement and a two-thirds vote for passage are required.[25] If the exemption is continued without substantive changes or if the exemption is continued and narrowed, then a public necessity statement and a two-thirds vote for passage are *not* required. If the Legislature allows an exemption to sunset, the previously exempt records will remain exempt unless provided for by law.[26]

Applications for Authority to Organize New State Banks under Chapter 658, F.S.

The Office of Financial Regulation is responsible for the supervision and regulation of state-chartered financial institutions, which includes state-chartered banks.[27] The Office of Financial Regulation's Division of Financial Institutions carries out these duties, which include the chartering of de novo banking institutions pursuant to s. 658.19, F.S. Section 658.19, F.S.,

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[20] Section 119.15(6)(b), F.S.
[21] Section 119.15(6)(b)1., F.S.
[22] Section 119.15(6)(b)2., F.S.
[23] Section 119.15(6)(b)3., F.S.
[24] Section 119.15(6)(a), F.S. The specified questions are:

- What specific records or meetings are affected by the exemption?
- Whom does the exemption uniquely affect, as opposed to the general public?
- What is the identifiable public purpose or goal of the exemption?
- Can the information contained in the records or discussed in the meeting be readily obtained by alternative means? If so, how?
- Is the record or meeting protected by another exemption?
- Are there multiple exemptions for the same type of record or meeting that it would be appropriate to merge?

[25] *See generally* s. 119.15, F.S.
[26] Section 119.15(7), F.S.
[27] Pursuant to s. 20.121(3)(a), F.S., the Financial Services Commission (the Governor and Cabinet) serves as the OFR's agency head for purposes of rulemaking and appoints the OFR's Commissioner, who serves as the agency head for purposes of final agency action for all areas within the OFR's regulatory authority. In addition to regulating the securities industry, the OFR is responsible for regulating banks, credit unions, other financial institutions, and finance companies.

requires an applicant for authority to organize a new state bank to file with OFR an application providing:

- The name, residence, and occupation of each proposed director for the proposed institution.
- The proposed corporate name of the institution.
- The total initial capital, the number of shares of each class of the capital stock to be authorized, and the par value of the shares of each class.
- The community, including street and number (or area within the community, if street and number are not available), where the principal office of the proposed institution is to be located.
- The name and address, if known, of the proposed president, or the proposed chief executive officer if such person is other than the proposed president. Additionally, if the application is for the organization of a trust company or a bank with trust powers, the application must provide the name and address of the proposed trust officer.
- Detailed financial, business, and biographical information for each proposed director, executive officer, and, if applicable, trust officer as OFR or the Financial Services Commission may reasonably require.
- A request for trust powers if desired in connection with an application to organize a bank.

In addition to statutory requirements, OFR requires applicants to file a proposed business plan and a pro forma statement of condition, pro forma statement of income, and capital funds statement for the first three years of the proposed institution's operation.[28] The Office of Financial Regulation also requires, as part of the application, each proposed executive officer, director, and major shareholder to complete an Interagency Biographical and Financial Report, Form OFR-U-10.[29] Form OFR-U-10, adopted by reference by rule 69U-105.102(1)(c), F.A.C., requires the disclosure of significant personal information, such as name, previous names used, current and previous addresses, date and place of birth, social security number, citizenship information, passport number, work experience, educational and professional credentials, business affiliations, regulatory and legal action history, and personal financial information.

Public Availability of Application Information

Presently, s. 655.057 contains a number of public records exemptions for certain OFR records relating to OFR's regulation of financial institutions. For example:

- Section 655.057(1) makes confidential and exempt certain records and information relating to OFR investigations while said investigations are active—unless such records or information are otherwise public record. The subsection also directs some portions of these records to remain confidential after the completion of the investigation or the investigation ceases to be active.
- Section 655.057(2) makes confidential and exempt certain reports of examinations, operations, or condition, including working papers, or portions thereof, prepared by, or for the use of, the OFR or any other state agency, or federal agency, responsible for the regulation or supervision of financial institutions—unless such information is otherwise a public record. The subsection also provides that this information may, however, be released to certain parties such as the financial institution under examination (or its holding company)

[28] *See generally* Form OFR-U-1, adopted by reference by 69U-105.102(1)(a), F.A.C.

[29] Rule 69U-105.202(1)(a), F.A.C.

and certain proposed acquirers of a financial institution. The subsection also requires certain information be released within 1 year after the appointment of a liquidator, receiver, or conservator to the financial institution.

- Section 655.057(3) makes confidential and exempt certain OFR informal enforcement actions—except for portions of which are otherwise public record.
- Section 655.057(4) makes confidential and exempt trade secrets, as defined in s. 688.002 which comply with s. 655.0591, held by OFR in accordance with its statutory duties.

While some of the above public records exemptions, or other public records exemptions provided in ch. 119, F.S., may apply to certain records received by OFR pursuant to an application to organize a banking institution, current Florida statutes does not provide a public records exemption specifically directed at such applications. Presently, with the exception of some material for which the applicant may claim trade secret status pursuant to s. 655.0591, F.S., all of the information received by OFR on form OFR-U-1 (Application for Authority to Organize a Bank, a Savings Bank or Association Pursuant to Chapters 658 and 665, Florida Statutes) is subject to public inspection and copying. Additionally, significant portions of the information received by OFR on form OFR-U-10 (Interagency Biographical and Financial Report) would be subject to public inspection and copying, with only certain information, such as social security numbers, passport numbers, home county identification numbers, immigration file numbers, and certain financial disclosures being exempted from public records requirements.

Applications Received

In 2018, OFR received its first 2 banking applications since 2009. Three applications were received annually in 2019 and 2020. The chart below, using data provided by OFR, depicts the de novo bank application activity since 2001 for Florida.

Year	Number of De Novo Banking of Applications	Number of New Banks Opened
2001	8	11
2002	11	8
2003	13	10
2004	19	16
2005	25	18
2006	21	18
2007	12	18
2008	6	7
2009	2	2
2010	0	0
2011	0	0
2012	0	0
2013	0	0
2014	0	0
2015	0	0
2016	0	0
2017	0	0
2018	2	1

Year	Number of De Novo Banking of Applications	Number of New Banks Opened
2019	3	0
2020	3	1

III. Effect of Proposed Changes:

Section 1 amends s. 655.057 to add a new subsection (5) and redesignates present sections (5) through (14) as (6) through (15), respectively. The new paragraph (5)(a) provides that certain information received by OFR pursuant to an application for authority to organize a new state bank under ch. 658, F.S., is confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution. Specifically, the following information would be confidential and exempt:

- Personal financial information;
- Numbers issued on a government document to verify identity (such as a driver license, passport number, or military identification number);
- The books and records of a current or proposed financial institution;
- Personal identifying information of a shareholder, subscriber, proposed officer, or proposed director of a proposed bank, if such is marked as confidential by the applicant;[30] and
- The proposed bank's business plan, and any attached supporting documentation for such plan, if marked as confidential by the applicant.

Similar to present s. 655.057(1)-(3), F.S., the proposed s. 655.057(5) provides that the above public records exemptions are subject to exceptions provided elsewhere in s. 655.057, F.S, and if portions of the above are "otherwise public record," then those portions are also excepted from the exemption. These exceptions would include publishing certain reports required to be submitted to OFR pursuant to s. 644.045(2), reports required to be published by federal statute or rule, publishing certain data where the identity of a particular financial institution is not disclosed, reporting criminal activity, and furnishing certain information Chief Financial Officer or the Division of Treasury of the Department of Financial Services.[31]

As with other information presently made confidential under s. 655.057, F.S., willful disclosure of the information made confidential pursuant to the proposed s. 655.057(5), F.S., would constitute a felony, punishable as provided in ss. 775.082, 775.083, or 775.084, F.S.[32]

Paragraph (5)(b) provides that the section is subject to the Open Government Sunset Review Act, and shall stand repealed on October 2, 2026, unless reviewed and reenacted by the Legislature.

Section 2 provides a public necessity statement describing the justifications for the exemptions in Section 1. In general, the statement provides that the confidentiality and exemption from s. 119.07(1), Florida Statutes, and s. 24(a), Article I of the State Constitution, proposed in **Section 1** is necessary because OFR may receive sensitive personal, financial, and business

[30] For the purposes of this proposed provision, the bill defines "personal identifying information" as: names, home addresses, e-mail addresses, telephone numbers, names of relatives, work experience, professional licensing and educational background, and photographs.
[31] Section 655.057(5), F.S.
[32] Section 655.057(13), F.S.

information relating to its duties to review applications for the organization of new state banks. As such, the protection of such information is necessary to prevent unwarranted damage to a proposed bank or the shareholders, subscribers, proposed officers, or proposed directors of a proposed bank other financial institutions in this state. Specifically, the statement identifies the following concerns:

- The release of information leading to the identification of individuals involved in the potential establishment of a new bank could place in jeopardy those individuals' current employment with, or participation in the affairs of, another financial institution. This has a chilling effect on the establishment of new banks.
- Public availability of financial institution (whether current or proposed) books and records presents an unnecessary risk of harm to such institutions.
- The public availability of a proposed bank's business plan may place such bank at a competitive disadvantage relative to other financial institutions that do not have to release such information.

Section 3 provides that the bill takes effect July 1, 2021.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Not applicable. The mandate restrictions do not apply because the bill does not require counties and municipalities to spend funds, reduce counties' or municipalities' ability to raise revenue, or reduce the percentage of state tax shared with counties and municipalities.

B. Public Records/Open Meetings Issues:

Vote Requirement

Article I, s. 24(c) of the State Constitution requires a two-thirds vote of the members present and voting for final passage of a bill creating or expanding an exemption to the public records requirements. This bill enacts a new exemption for certain records received by OFR pursuant to an application for authority to organize a new state bank, pursuant to s. ch. 658, F.S. Thus, the bill requires a two-thirds vote to be enacted.

Public Necessity Statement

Article I, s. 24(c) of the State Constitution requires a bill creating or expanding an exemption to the public records requirements to state with specificity the public necessity justifying the exemption. Section 2 of the bill contains a statement of public necessity for justifying the exemption.

Breadth of Exemption

Article I, s. 24(c) of the State Constitution requires an exemption to the public records requirements to be no broader than necessary to accomplish the stated purpose of the law. The stated purpose of the law is to ensure the OFR's ability to administer its regulatory duties regarding applications for authority to organize a new state bank under ch. 658,

F.S., while preventing unwarranted damage to the proposed bank or the shareholders, subscribers, proposed officers, or proposed directors of the proposed bank or other financial institutions in this state. This bill exempts only potentially sensitive information that would be provided to OFR pursuant to an application for authority to organize a new state bank. These exemptions do not appear to be broader than necessary to accomplish the purpose of the law.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Indeterminate. The private sector will be subject to the cost associated with an agency making redactions in response to a public records request. Applicants for authority to organize a new state bank will also be subject to the cost of marking as confidential those portions of their applications they wish to protect from public disclosure as authorized by this bill.

C. Government Sector Impact:

OFR will incur minor costs relating to the identification and redaction of exempt records. However, costs incurred by OFR in responding to public records requests regarding these exemptions should be offset by authorized fees.[33]

VI. Technical Deficiencies:

None.

VII. Related Issues:

The First Amendment Foundation (FAF) has expressed concerns regarding this bill. Specifically, FAF is concerned that a public records exemption to protect the identity of all shareholders,

[33] Section 119.07(2) and (4), F.S.

subscribers, and proposed officers or directors, "will make it impossible for the public to know the leaders and owners of new state banks." Thus, FAF argues that the proposed legislation reduces transparency of OFR and banks and would make public oversight of the banking industry more difficult. Finally, FAF states that the bill "provides no evidence of retribution" in order to support the bill's statement of necessity and, therefore, the exemption regarding the identities of shareholders, officers, and directors is "unwarranted by the facts."

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 655.057.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Banking and Insurance on February 16, 2020:
The committee substitute applies the public records exemption to the "personal identifying information" of a shareholder, subscriber, proposed officer, or proposed director of the proposed bank when marked by the applicant as confidential. The CS also defines "personal identifying information." The original filed bill required the OFR to apply the exemption when revealing the names of proposed officers or directors would jeopardize that person's employment or participation with another financial institution, and also prohibited the revelation of the identity of a minority shareholder or subscriber.

The CS removes the portion of the original bill prohibiting the revelation of information that would defame or cause unwarranted damage to the good name, or jeopardize the safety of, an individual. The CS requires that the applicant mark as confidential a business plan, or attached supporting documentation, in order for such information to be exempt from public records requirements. The CS also makes technical and public necessity statement revisions.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/16/2021	.	
	.	
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	.	

The Committee on Banking and Insurance (Burgess) recommended the following:

1 **Senate Amendment (with title amendment)**

2

3 Delete everything after the enacting clause
4 and insert:
5 Section 1. Present subsections (5) through (14) of section
6 655.057, Florida Statutes, are redesignated as subsections (6)
7 through (15), respectively, a new subsection (5) is added to
8 that section, and present subsection (14) of that section is
9 amended, to read:
10 655.057 Records; limited restrictions upon public access.—

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11 (5)(a) Except as otherwise provided in this section and
12 except for those portions that are otherwise public record, the
13 following information received by the office pursuant to an
14 application for authority to organize a new state bank under
15 chapter 658 is confidential and exempt from s. 119.07(1) and s.
16 24(a), Art. I of the State Constitution:
17 1. Personal financial information.
18 2. A driver license number, a passport number, a military
19 identification number, or any other similar number issued on a
20 government document used to verify identity.
21 3. Books and records of a current or proposed financial
22 institution.
23 4. The personal identifying information of a shareholder,
24 subscriber, proposed officer, or proposed director of the
25 proposed bank when such information has been marked by the
26 applicant as confidential when submitted to the office. As used
27 in this subparagraph, the term "personal identifying
28 information" means names, home addresses, e-mail addresses,
29 telephone numbers, names of relatives, work experience,
30 professional licensing and educational background, and
31 photographs.
32 5. The proposed bank's business plan and any attached
33 supporting documentation when such information has been marked
34 by the applicant as confidential when submitted to the office.
35 (b) This subsection is subject to the Open Government
36 Sunset Review Act in accordance with s. 119.15 and is repealed
37 on October 2, 2026, unless reviewed and saved from repeal
38 through reenactment by the Legislature.
39 (15) ~~(14)~~ Subsections (1), (2), (6), and (10) ~~(5), and (9)~~

40 are subject to the Open Government Sunset Review Act in
41 accordance with s. 119.15 and are repealed on October 2, 2022,
42 unless reviewed and saved from repeal through reenactment by the
43 Legislature.
44 Section 2. The Legislature finds that it is a public
45 necessity that certain information received by the Office of
46 Financial Regulation pursuant to an application for authority to
47 organize a new state bank under chapter 658 be made confidential
48 and exempt from s. 119.07(1), Florida Statutes, and s. 24(a),
49 Article I of the State Constitution to the extent that
50 disclosure would reveal personal financial information; reveal a
51 driver license number, a passport number, a military
52 identification number, or any other similar number issued on a
53 government document used to verify identity; reveal books and
54 records of a current or proposed financial institution; reveal
55 the personal identifying information of a shareholder,
56 subscriber, proposed officer, or proposed director; or reveal a
57 proposed bank’s business plan and any attached supporting
58 documentation. The office may receive sensitive personal,
59 financial, and business information in conjunction with its
60 duties related to the review of applications for the
61 organization or establishment of new state banks. An exemption
62 from public records is necessary to ensure the office’s ability
63 to administer its regulatory duties while preventing unwarranted
64 damage to the proposed bank or the shareholders, subscribers,
65 proposed officers, or proposed directors of the proposed bank or
66 other financial institutions in this state. The release of
67 information that could lead to the identification of an
68 individual involved in the potential establishment of a new bank

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69 in this state may subject such individuals to retribution and
70 jeopardize their current employment with, or participation in
71 the affairs of, another financial institution. Thus, the public
72 availability of such information has a chilling effect on the
73 establishment of new banks in this state. Further, the public
74 availability of the books and financial records of a current or
75 proposed financial institution in this state presents an
76 unnecessary risk of harm to the business operations of such
77 institutions. Finally, the public availability of a proposed
78 bank's business plan may cause competitive harm to such bank's
79 future business operations and presents an unfair competitive
80 advantage for existing financial institutions that are not
81 required to release such information.
82 Section 3. This act shall take effect July 1, 2021.
83
84 ================= T I T L E A M E N D M E N T ================
85 And the title is amended as follows:
86 Delete everything before the enacting clause
87 and insert:
88 A bill to be entitled
89 An act relating to public records; amending s.
90 655.057, F.S.; providing an exemption from public
91 records requirements for certain information received
92 by the Office of Financial Regulation pursuant to an
93 application for a de novo banking charter; defining
94 the term "personal identifying information"; providing
95 for future legislative review and repeal of the
96 exemption; providing a statement of public necessity;
97 providing an effective date.

By Senator Burgess

20-00712-21 2021512__

A bill to be entitled

An act relating to public records; amending s. 655.057, F.S.; providing an exemption from public records requirements for certain information received by the Office of Financial Regulation pursuant to an application for a de novo banking charter; providing for future legislative review and repeal of the exemption; providing a statement of public necessity; providing an effective date.

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

Section 1. Present subsections (5) through (14) of section 655.057, Florida Statutes, are redesignated as subsections (6) through (15), respectively, a new subsection (5) is added to that section, and present subsection (14) of that section is amended, to read:

655.057 Records; limited restrictions upon public access.—

(5)(a) Except as otherwise provided in this section and except for such portions thereof which are public records, information received by the office pursuant to an application for a de novo banking charter is confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution to the extent that disclosure would:

1. Reveal personal financial information.

2. Reveal a driver license or identification card number, a passport number, a military identification number, or any other similar number issued on a government document used to verify identity.

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3. Reveal the home address of any individual.

4. Reveal the identity of a minority shareholder or subscriber.

5. Reveal the name of a proposed officer or director, to the extent that doing so would jeopardize the proposed officer’s or director’s current employment with or participation in the affairs of another financial institution.

6. Defame or cause unwarranted damage to the good name or reputation of an individual or jeopardize the safety of an individual.

7. Reveal books and records of a financial institution or registrant.

8. Reveal an applicant’s business plan and any attached supporting documentation.

(b) This subsection is subject to the Open Government Sunset Review Act in accordance with s. 119.15 and is repealed on October 2, 2026, unless reviewed and saved from repeal through reenactment by the Legislature.

(15)~~(14)~~ Subsections (1), (2), (6), and (10) ~~(5), and (9)~~ are subject to the Open Government Sunset Review Act in accordance with s. 119.15 and are repealed on October 2, 2022, unless reviewed and saved from repeal through reenactment by the Legislature.

Section 2. The Legislature finds that it is a public necessity that information received by the Office of Financial Regulation pursuant to an application for a de novo banking charter be made confidential and exempt from s. 119.07(1), Florida Statutes, and s. 24(a), Article I of the State Constitution to the extent that disclosure would reveal personal

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

59 financial information; reveal a driver license or identification
60 card number, passport number, military identification number, or
61 other similar number issued on a government document used to
62 verify identity; reveal the home address of any individual;
63 reveal the identity of a minority shareholder or subscriber;
64 reveal the name of a proposed officer or director, to the extent
65 that doing so would jeopardize the proposed officer's or
66 director's current employment with or participation in the
67 affairs of another financial institution; defame or cause
68 unwarranted damage to the good name or reputation of an
69 individual or jeopardize the safety of an individual; reveal
70 books and records of a financial institution or registrant; or
71 reveal an applicant's business plan and any attached supporting
72 documentation. The office may receive sensitive personal,
73 financial, and business information in conjunction with its
74 duties related to the review of applications for the
75 organization or establishment of state financial institutions.
76 An exemption from public records is necessary to ensure the
77 office's ability to administer its regulatory duties while
78 preventing unwarranted damage to an applicant's good name or
79 impairment of its safety and soundness, as well as the safety
80 and soundness of the financial system of this state. Release of
81 any portion of an application that reveals an individual's
82 personal financial information, government identity verification
83 documents, or home address could cause unwarranted damage to the
84 good names or reputation of those individuals or jeopardize
85 their safety.
86 Section 3. This act shall take effect July 1, 2021.

The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: SB 702

INTRODUCER: Senator Thurston

SUBJECT: Individual Retirement Accounts

DATE: February 15, 2021 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Schrader	Knudson	BI	**Favorable**
2.			JU	
3.			RC	

I. Summary:

SB 702 clarifies that any interest in an individual retirement account (IRA) or individual retirement annuity received during a transfer incident to divorce remains exempt from creditor claims after the transfer is complete.

Since the bill clarifies, but does not modify, existing law or practice, the bill is remedial in nature and applies retroactively to all transfers made incident to divorce.

The bill is effective upon becoming a law.

II. Present Situation:

Asset Protections Available in Florida

A creditor can collect money owed by filing an action for a judgment in state court. A judgment is an order of the court creating an obligation, such as a debt. The creditor may then use that judgment to collect from debtor, i.e. executing the judgement, using certain legal tools such as garnishing of wages and bank accounts and attaching liens to personal and real property. The Florida Constitution and Florida Statutes both contain exemptions to protect certain real and personal property of natural persons from forced sale by creditors. State constitutional exemptions, such as those for homestead property,[1] can only be modified through a proposed constitutional amendment that is subsequently approved by the electorate. Exemptions provided in Florida Statutes may be modified through the regular legislative process. Chapter 222, F.S., provides the types of property that is immune or exempt from the claims of creditors.

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[1] *See* Art. X, s. 4, Fla. Const.

Section 222.21, F.S., provides that pension money and certain tax-exempt funds or accounts are exempt from legal processes, such as forced sale. Subsection (1) protects certain money received by any debtor as a pensioner of the United States. Subsection (2) protects any money or other assets payable to an owner, a participant, or a beneficiary from, and any interest[2] therein of any owner, beneficiary, or participant if the fund or account meets certain qualifications. Such funds or accounts are commonly known as qualified, tax-exempt retirement accounts, and must be:

- Maintained in accordance with a master plan, volume submitter plan, prototype plan, or any other plan or other governing instrument preapproved by the Internal Revenue Service (IRS) as exempt from taxation under certain sections of the Internal Revenue Code of 1986 (IRC), as amended, regarding qualified retirement plans,[3] unless such exemption was overturned in a final, non-appealable, proceeding;
- Maintained in accordance with a plan or governing instrument determined by the IRS to be exempt from taxation under certain sections of the IRC regarding qualified retirement plans,[4] unless such exemption was overturned in a final, non-appealable, proceeding; or
- Not maintained in accordance with one of the above-described plans or governing instruments, if the person claiming the exemption proves by a preponderance of the evidence that the fund or account is maintained in substantial compliance with the applicable sections regarding tax-exempt retirement accounts, or would have been in substantial compliance with the applicable requirements for exemption under those sections, but for the negligent or wrongful conduct of another person.

The fund or account need not be maintained in accordance with a plan or governing instrument covered by any part of the Employee Retirement Income Security Act (ERISA) to be exempt.[5] Such funds or accounts are only protected to the extent they are not otherwise subject to claims of an alternate payee under a qualified domestic relations order, or claims of a surviving spouse pursuant to an order determining elective share and contribution in accordance with ch. 732, F.S.

Paragraph (2)(c) of s. 222.21, F.S., provides that the exemption for such money, other assets, or interest in these qualified, tax-exempt retirement accounts survives the owner's death upon a direct transfer or other eligible rollover excluded from gross income under the IRC, [6] such as, but not limited to, the direct transfer or eligible rollover to an inherited individual retirement account (IRA).[7] This allows a beneficiary to enjoy the exemption upon transfer. Paragraph (2)(c) expressly states that it is intended to clarify existing law, be remedial in nature, and to apply retroactively to all inherited individual retirement accounts without regard to the date the account was created.

[2] Under Florida law, the word "interest," as used in statute providing exemption from creditors' claims for any interest of owner, beneficiary, or participant in enumerated tax-preferred funds or accounts, is a broad term encompassing many rights of a party, tangible, intangible, legal, and equitable. *In re Maddox*, 713 F.2d 1526, 1530 (11th Cir. 1983).
[3] 26 U.S.C. ss. 401(a) (stock bonus, pension, and profit sharing plans), 403(a) and 403(b) (annuity plans), 408 (individual retirement accounts (IRAs), 408A (Roth IRAs), 409 (tax credit employee stock ownership plans), 414 (provides definitions and special rules for certain plans, such as retirement plans for government and church employees), 457(b) (deferred compensation plans), or 501(a) (defining organizations exempt from taxation, including those defined in 401(a)).
[4] *Id.*
[5] Section 222.21(2)(b), F.S.
[6] Section 222.21(2)(c), F.S.
[7] *See* 26 U.S.C. s. 408(d)(3); pursuant to s. 222.21(2), F.S., individual retirement accounts, and interests therein, maintained in accordance with 26 U.S.C. s. 408 are exempted from legal processes, such as forced sale by creditors.

The specified tax-exempt retirement plans enumerated in subsection (2) are exempt from all legal proceedings, including bankruptcy, even though bankruptcy is a federal proceeding governed by the United States Bankruptcy Code (Bankruptcy Code).[8]

Transfer of s. 408 Retirement Accounts Incident to Divorce

Retirement accounts exempted from taxation by s. 408 of the IRC are exempted from legal processes, such as forced sale, by Florida law.[9] Section 408 of the IRC contemplates individual retirement accounts (IRAs) and individual retirement annuities.[10] An individual retirement account is a trust created or organized in the United States for the exclusive benefit of an individual, or his beneficiaries, of which the governing document meets certain requirements.[11] An individual retirement annuity is an annuity contract, or an endowment contract, issued by an insurance company which meets certain requirements.[12] An interest in an individual retirement account or individual retirement annuity may be transferred, but only upon the death or divorce of the original owner.[13] The transfer of an interest in an individual retirement account or individual retirement annuity incident to divorce is not a taxable event.[14] Effective upon such transfer, the interest in the individual retirement account or individual retirement annuity is treated as the account of the spouse.[15]

Exempted Property in Bankruptcy Proceedings

The Bankruptcy Code expressly recognizes exemptions provided under the state or local law of the domicile of the debtor.[16] Florida is an opt-out state, meaning that when a Florida resident files for bankruptcy, Florida law provides the exemptions available to the debtor—not the Bankruptcy Code.[17] Florida law contains a number of exemptions included in the Bankruptcy Code, such as IRAs and pensions, profit sharing, and retirement benefits.[18] Florida also exempts all inherited IRA accounts from creditor claims.[19] Likewise, the Bankruptcy Code exempts retirement funds in a fund or account exempt from taxation under most of the same sections of the IRC, such as those applicable to stock bonus, pension, and profit sharing plans, annuity plans, IRAs, and deferred compensation plans.[20]

Regarding the exemption for an IRA or an interest therein where such was awarded incident to a divorce, a recent bankruptcy court decision in the United States Bankruptcy Appellate Panel for

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[8] 11 U.S.C. s. 101, *et. seq.*; 11 U.S.C. s. 522(b)(3)(A).
[9] Section 222.21(2), F.S.
[10] 26 U.S.C. s. 408(a)-(c).
[11] *See* 26 U.S.C. s. 408(a), *et. seq.*
[12] 26 U.S.C. s. 408(b).
[13] 26 U.S.C. s. 408(d).
[14] 26 U.S.C. s. 408(d)(6).
[15] *Id.*
[16] 11 U.S.C. s. 522(b)(3)(A).
[17] Section 222.20, F.S.
[18] Section 222.21(2), F.S.
[19] Section 222.21(2)(c), F.S.
[20] 11 U.S.C. s. 522(d)(12) exempts "retirement funds to the extent that those funds are in a fund or account that is exempt from taxation under sections 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986." Section 222.21(2), F.S., exempts qualified plans exempt from taxation under ss. 401(a), 403(a) and 403(b), specifically, 408, 408A, 414, 457(b), specifically, and 501(a) of the IRC. Unlike the Bankruptcy Code, Florida additionally exempts qualified tax credit employee stock ownership plans exempted from taxation under section 409 of the IRC.

the 8th Circuit, *In re Lerbakken*, 590 B.R. 895 (B.A.P. 8th Cir. 2018), may indicate a need to clarify Florida's exemption.

In *Lerbakken,* the 8th Circuit Bankruptcy Appellate Panel stated that two requirements must be satisfied in order for a debtor to claim funds as exempt retirement funds pursuant to the Bankruptcy Code:

- The amount must be retirement funds; and
- The retirement funds must be in an account that is exempt from taxation under one of the provisions of the IRC.[21]

The Bankruptcy Code does not define the term "retirement funds," so the term is applied within its ordinary meaning: sums of money set aside for the day an individual stops working.[22] In *Lerbakken*, the 8th Circuit Bankruptcy Appellate Panel held that funds held in a 401K and IRA accounts awarded to a Chapter 7 debtor as part of a stipulated property settlement in a divorce proceeding were not "retirement funds" because while the debtor's former spouse had saved funds in those accounts for a joint retirement, any interest the debtor held in those accounts resulted from a property settlement. However, it is notable that the ruling was an 8th Federal Circuit opinion on appeal from the United States Bankruptcy Court for the District of Minnesota. Thus, the *Lerbakken* Court's ruling interpreting the meaning of "retirement funds" in would not be controlling in the 11th District (of which Florida is a part).

The issue of whether an IRA is exempt from bankruptcy proceedings when awarded incident to a divorce proceeding has arisen in the 11th Circuit recently.[23] During the course of the proceedings, the United States Bankruptcy Court for the Middle District of Florida, Tampa Division, acknowledged that, although the authority to make the certification for appeal had shifted from Bankruptcy Court to the district court during the pendency of ruling on a motion for appeal, there did exist a "matter of public importance" on the IRA issue and "no controlling decision of the Eleventh Circuit or the Supreme Court exists."[24] Further, the Bankruptcy Court acknowledges that "conflicting opinions from other jurisdictions arguably exist."[25] Thus, the Bankruptcy Court had intended to certify the issue for appellate review.[26]

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[21] 11 U.S.C. s. 522(d)(12).

[22] *Clark v. Rameker*, 573 U.S. 122, 127 (2014).

[23] This case has been recently dismissed without prejudice on upon the parties reaching settlement in the matter. *Carapella v. Glass*, No. 8:19-cv-3050-T-02 (M.D. Fla. Jan. 8, 2021). Thus, the Court did not reach a decision on the IRA issue.

[24] *In re Glass*, 613 B.R. 33, 41 (Bankr. M.D. Fla. 2020).

[25] *Id.* at 41.

[26] *Id.* at 34. Under 28 U.S.C. s. 158(d)(2)(A), the grounds for certification for direct review in a court of appeals are:

> (i) the judgment, order, or decree involves a question of law as to which there is no controlling decision of the court of appeals for the circuit or of Supreme Court of the United States, or involves a matter of public importance;
> (ii) the judgment, order, or decree involves a question of law requiring resolution of conflicting decisions; or
> (iii) an immediate appeal from the judgment, order, or decree may materially advance the progression of the case or proceeding in which the appeal is taken.

III. Effect of Proposed Changes:

Section 1 amends paragraph (2)(c) of s. 222.21, F.S., to clarify that any interest in any IRA or individual retirement annuity received in a transfer incident to divorce as described in s. 408(d)(6) of the Internal Revenue Code of 1986 (IRC), as amended, continues to be exempt after the transfer, regardless of the date the transfer was made.

To the extent s. 222.21(a), F.S., exempts a transferee's interest in an IRA or individual retirement annuity upon a transfer incident to divorce pursuant to s. 408(d)(6) of the IRC, the bill clarifies current law, which exempts such interests from the claims of the transferee's creditors.

Existing law provides that s. 222.21(2)(c), F.S., is intended to clarify existing law, is remedial in nature, and shall have retroactive application and this provision would apply to the proposed changes as well.

Section 2 provides that the act shall take effect upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

Retroactive Application

Once a bill becomes law, it is presumed to apply only prospectively. The presumption against retroactive application may be rebutted by clear evidence of legislative intent.[27] To determine if the terms of a statute and the purpose of the enactment indicate retroactive application, a court may consider the language, structure, purpose, and legislative history of the enactment.[28]

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[27] *Florida Ins. Guar. Ass'n, Inc. v. Devon Neighborhood Ass'n, Inc.*, 67 So. 3d 187 (Fla. 2011).
[28] *Id.*

If the legislation clearly expresses an intent that the law apply retroactively, then the second inquiry is whether retroactive application is constitutionally permissible.[29] Even when the Legislature has clearly expressed its intention that the statute be given a retroactive application, courts must refuse to do so if it impairs vested rights, creates new obligations, imposes new penalties,[30] or impairs an obligation of contract.[31] For example, ex post facto legislation, i.e., a law that expands criminal liability retroactively by either creating a new crime for past conduct or by increasing the penalty for past conduct, is forbidden by both the Florida Constitution and the United States Constitution. Statutes that do not alter vested rights but relate only to remedies or procedure may be applied retroactively.[32]

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill amends section 222.21 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

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[29] *Menendez v. Progressive Exp. Ins. Co., Inc*., 35 So. 3d 873 (Fla. 2010); *State Farm Mut. Auto. Ins. Co. v. Laforet*, 658 So. 2d 55 (Fla. 1995).

[30] *Id.*

[31] *Menendez v. Progressive Exp. Ins. Co., Inc*., 35 So. 3d 873 (Fla. 2010).

[32] *Metropolitan Dade County v. Chase Federal Housing Corporation*, 737 So. 2d 494 (Fla. 1999).

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By Senator Thurston

33-00380-21 2021702__

A bill to be entitled

An act relating to individual retirement accounts; amending s. 222.21, F.S.; specifying that interests in certain individual retirement funds or accounts which are exempt from creditor claims continue to be exempt after certain transfers incident to divorce; providing retroactive applicability; providing an effective date.

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

Section 1. Paragraph (c) of subsection (2) of section 222.21, Florida Statutes, is amended to read:

222.21 Exemption of pension money and certain tax-exempt funds or accounts from legal processes.—

(2)

(c) Any money or other assets or any interest in any fund or account that is exempt from claims of creditors of the owner, beneficiary, or participant under paragraph (a) does not cease to be exempt after the owner's death by reason of a direct transfer or eligible rollover that is excluded from gross income under the Internal Revenue Code of 1986, including, but not limited to, a direct transfer or eligible rollover to an inherited individual retirement account as defined in s. 408(d)(3) of the Internal Revenue Code of 1986, as amended. Any interest in any fund or account received in a transfer incident to divorce as described in s. 408(d)(6) of the Internal Revenue Code of 1986, as amended, continues to be exempt after the transfer. This paragraph is intended to clarify existing law, is

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remedial in nature, and shall have retroactive application to all inherited individual retirement accounts and to all such transfers incident to divorce without regard to the date an account was created or the date the transfer was made.

Section 2. This act shall take effect upon becoming a law.

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Banking & Ins.

Duplicate

THE FLORIDA SENATE

APPEARANCE RECORD

2/16/21
Meeting Date

SB 702
Bill Number (if applicable)

Amendment Barcode (if applicable)

Topic: IRA Transfers

Name: Martha Edenfield

Job Title: Attorney

Address: 106 E. College Ave Suite 1200 (Street)

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Speaking: ☐ For ☐ Against ☐ Information

Waive Speaking: ☑ In Support ☐ Against
(The Chair will read this information into the record.)

Representing: The Real Property, Probate and Trust Law Section of the Florida Bar (RPPTL)

Appearing at request of Chair: ☐ Yes ☑ No

Lobbyist registered with Legislature: ☑ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: SB 728

INTRODUCER: Senator Broxson

SUBJECT: Credit for Reinsurance

DATE: February 15, 2021 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Arnold	Knudson	BI	**Favorable**
2.			JU	
3.			RC	

I. Summary:

SB 728 provides insurers with credit for reinsurance and eliminates additional collateral requirements for reinsurers if the reinsurer is domiciled in a "reciprocal jurisdiction" and meets requirements set forth in the bill. The requirements include, but are not limited to:

- Minimum capital and surplus requirements;
- Minimum solvency or capital ratios;
- Annual confirmation from the domiciliary supervisory authority stating that the reinsurer meets the capital, surplus, and minimum solvency or capital ratio requirements; and
- Prompt claims payment practices.

The bill defines a reciprocal jurisdiction as:

- A non-United States jurisdiction that is subject to an in-force covered agreement[1] with the United States or, in the case of a covered agreement between the United States and the European Union,[2] an EU member state;
- A United States jurisdiction that meets the National Association of Insurance Commissioners' requirements for accreditation; or
- Any other qualified jurisdiction that meets the Office of Insurance Regulation's requirements as set forth in rule.

The bill also provides insurers with protections against reinsurer failure that include, but are not limited to, requiring the reinsurer to post collateral equal to all outstanding reinsurance liabilities

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[1] The bill defines a "covered agreement" to mean an agreement entered into pursuant 31 U.S.C ss. 313 and 314 (The Dodd-Frank Wall Street Reform and Consumer Protection Act) which is effective or in a period of provisional application and addresses the elimination, under specified conditions, of collateral requirements as a condition for entering into any reinsurance agreement with a ceding insurer domiciled in this state or for allowing the ceding insurer to recognize credit for reinsurance.

[2] The United States entered into such an agreement on September 22, 2017, the Bilateral Agreement Between the United States of America and the European Union on Prudential Measures Regarding Insurance and Reinsurance.

in the event the reinsurer enters into receivership; requiring the reinsurer to consent to the jurisdiction of courts of the State of Florida; and requiring the reinsurer to post collateral equal to all outstanding liabilities if the reinsurer resists enforcement of a court order from a jurisdiction in which it has consented.

The bill's revisions to Florida law governing credit for reinsurance enact 2019 revisions to the National Association of Insurance Commissioners (NAIC) Credit for Reinsurance Model Law (#785) and the Credit for Reinsurance Model Regulation (#786).

The bill takes effect July 1, 2021.

II. Present Situation:

Reinsurance

Reinsurance is insurance that a primary insurance company purchases from a second insurance company to protect itself from major losses sustained by its policyholders. The large-scale losses are generally caused by natural disasters such as wildfires or hurricanes. The primary insurance company is referred to as the ceding insurer and the second insurance company is referred to as the reinsurer. In this contract of indemnity, the reinsurer agrees to compensate the ceding insurer for all or part of the losses and loss adjustment expenses the ceding insurer incurs under insurance policies it has issued to its policyholders.[3] The vast majority of reinsurers, who are domiciled overseas, do not write insurance policies of their own to policyholders.

Through the reinsurance contract, the insurer reduces its probable maximum loss on either an individual risk (facultative reinsurance) or a specific class of insurance policies (treaty reinsurance) by ceding a portion of its liability to the reinsurer.[4] Reinsurance serves to (1) increase underwriting capacity; (2) stabilize underwriting results; (3) protect against catastrophic losses; (4) finance expanding volume; (5) withdraw from a class or line of business, or a geographic area, within a short time period; and (6) share large risks with other companies.[5] Reinsurers may in turn further spread their assumed risk by purchasing reinsurance protection, which is called retrocession.[6]

Reinsurance creates privity of contract between the insurer and reinsurer, and does not modify the insured's policy with its insurer.[7] Therefore, the reinsurance contract does not discharge the insurer from its primary liability to its policyholders or its obligation to pay policyholder claims.[8]

[3] National Association of Insurance Commissioners, *Glossary of Insurance Terms* https://content.naic.org/consumer_glossary.htm#R (last visited January 28, 2021).
[4] Barron's Dictionary of Insurance Terms, 437 (6th ed. 2013).
[5] *Id*.
[6] The Center for Insurance Policy and Research, National Association of Insurance Commissioners, *Reinsurance*, https://content.naic.org/cipr_topics/topic_reinsurance.htm (last visited January 28, 2021).
[7] U.S. Department of Treasury, Federal Insurance Office, *The Breadth and Scope of the Global Reinsurance Market and the Critical Role Such Market Plays in Supporting Insurance in the United States*, 7 (December 2014), https://www.treasury.gov/initiatives/fio/reports-and-notices/Documents/FIO%20-Reinsurance%20Report.pdf (last visited January 28, 2021).
[8] *Id*.

Similarly, only the insurer has direct rights to recover from the reinsurer unless expressly provided for in the reinsurance contract.[9]

Florida regulates reinsurance under s. 624.610, F.S., and rule 69O-144, F.A.C.

Regulation of Reinsurance

The United States (U.S.) is both the largest insurance market and reinsurance market in the world by premium volume.[10] Furthermore, roughly half of all business originates from North America.[11] In support of U.S. domestic insurers, non-U.S. reinsurers provide a majority of the available reinsurance protection to fulfill the needs of the U.S. insurance market. In 2018, offshore reinsurers assumed 65.7 percent of U.S. ceded premiums.[12] Together, offshore reinsurers and alien-owned[13] U.S. reinsurers assumed 88.9 percent of U.S. ceded premiums during the same year.[14]Such access to alien reinsurance contributes to the global diversification of risk, provides claims burden relief to U.S. reinsurers, and mitigates financial impacts of catastrophes.[15]

The purchase of reinsurance from reinsurers not domiciled or licensed in the U.S. may expose U.S. domestic insurers to additional credit risk to the extent that any reinsurer is unable to meet the obligation assumed in the reinsurance contract. It similarly presents significant challenges to U.S. state insurance regulators charged with regulating insurer solvency.

Direct Regulation of Authorized Reinsurers

The Office of Insurance Regulation (OIR) directly regulates authorized reinsurers[16] domiciled and licensed in Florida as well as reinsurers licensed in Florida, but domiciled in a foreign state.[17] When an insurer cedes business to a licensed reinsurer, the insurer is permitted under statutory accounting rules to recognize a reduction in its liabilities for the amount of ceded liabilities, without a regulatory requirement for the reinsurer to post collateral to secure the reinsurer's ultimate payment of the reinsured liabilities.[18] A reinsurer licensed in a state is subject to solvency and other regulations imposed by the state which are applicable to insurance companies generally.

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[9] *Morris & Co. v. Skandinavia Ins. Co.*, 279 U.S. 405, 408 (1929); *Citizens Cas. Co. v. Am. Glass. Co.*, 166 F.2d 91, 95 (7th Cir. 1948).
[10] *See supra* Note 7 at 1.
[11] *Id*.
[12] Reinsurance Association of America, *Offshore Reinsurance in the U.S. Market: 2018 Data*, 13 https://www.reinsurance.org/RAA/Industry_Data_Center/Offshore_Report/Offshore_Report_2018_Data.html (last visited January 28, 2021).
[13] In the insurance context, "alien" means domiciled in a foreign country. "Alien" is distinguishable from "foreign," which means domiciled in a state other than the one in which the company is writing business.
[14] *See supra* Note 12 at 14.
[15] International Association of Insurance Supervisors, *Reinsurance and Financial Stability*, 8 (July 2012), https://www.iaisweb.org/file/34046/reinsurance-and-financial-stability (last visited January 28, 2021).
[16] An "authorized" reinsurer is one that is licensed or accredited in a given state.
[17] Section 624.610(3)(a),(b), F.S.
[18] *Id*.

Indirect Regulation of Unauthorized Reinsurers

In the absence of direct supervisory authority, OIR indirectly regulates unauthorized reinsurers[19] by limiting the ceding insurer's credit for reinsurance unless the reinsurer posts collateral to secure the reinsurer's ultimate payment of the reinsured liabilities.[20]

The 2007 Legislature reduced the collateral requirements for insurers to receive credit for reinsurance commensurate with the financial strength of the reinsurer and the quality of the regulatory regime, and authorized OIR to enact rulemaking to implement corresponding regulatory changes.[21] In considering whether to allow credit for reinsurance, the reinsurer must hold surplus in excess of $250 million and have a secure financial strength rating (SFSR) from at least two statistical rating organizations deemed acceptable by the Commissioner of OIR (Commissioner).[22] The Commissioner must also consider:

- The domiciliary regulatory jurisdiction of the reinsurer;
- The structure and authority of the domiciliary regulator with regard to solvency regulation and the financial surveillance of the reinsurer;
- The substance of financial and operating standards for reinsurers in the domiciliary jurisdiction;
- The form and substance of financial reports required to be filed by the reinsurers in the domiciliary jurisdiction or other public financial statements filed in accordance with generally accepted accounting principles;
- The domiciliary regulator's willingness to cooperate with U.S. regulators in general and OIR in particular;
- The history of performance by reinsurers in the domiciliary jurisdiction;
- Any documented evidence of substantial problems with the enforcement of valid U.S. judgments in the domiciliary jurisdiction; and
- Any other matters deemed relevant by the Commissioner.[23]

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[19] An "unauthorized" reinsurer fails to meet the definition of an authorized reinsurer. *See supra* Note 13. Furthermore, "unauthorized" is distinguishable from "non-U.S.". A U.S. reinsurer that does not meet the definition of "authorized" reinsurer is considered "unauthorized". However, non-U.S. reinsurers cannot become accredited in a U.S. state based on their own domestic license.

[20] Historically, in order to receive financial statement credit for unauthorized reinsurance, a U.S. insurer must have been the beneficiary of security posted by the unauthorized reinsurer, providing collateral equal to 100 percent of the actuarially-estimated liabilities under the reinsurance contract.

[21] Ch. 2007-1, s. 15, Laws of Fla.

[22] Section 624.610(3)(e), F.S.

[23] Section 624.610(3)(e)(1)-(8), F.S.

The collateral required to allow 100 percent credit shall be no less than the percentage specified for the lowest rating as indicated in the SFSR below:[24]

Rating	Collateral Required	AM Best	S&P	Moody's	Fitch	Demotech
Secure – 1	0%	A++	AAA	Aaa	AAA	A"
Secure – 2	10%	A+	AA+, AA, AA-	Aa1, Aa2, Aa3	AA+, AA, AA-	A'
Secure – 3	20%	A	A+, A	A1, A2	A+, A	A
Secure – 4	50%	A-	A-	A3	A-	n/a
Secure – 5	75%	B++, B+	BBB+, BBB, BBB-	Baa1, Baa2, Baa3	BBB+, BBB, BBB-	n/a
Vulnerable – 6	100%	B, B-, C++, C+, C, C-, D, E, F	BB+, BB, BB-, B+, B, B-, CCC, CC, C, D, R	Ba1, Ba2, Ba3, B1, B2, B3, Caa, Ca, C	BB+, BB, BB-, B+, B, B-, CCC+, CC, CCC-, DD	n/a

Revisions to NAIC Model Law 785 and Regulation 786

The 2019 revisions to the National Association of Insurance Commissioners (NAIC) Credit for Reinsurance Model Law (#785) and Credit for Reinsurance Model Regulation (#786) incorporate substantive provisions from the 2017 Bilateral Agreement between the United States and European Union on Prudential Measures Regarding Insurance and Reinsurance (Covered Agreement) reached between the U.S. Department of the Treasury, U.S. Trade Representative, and the European Union (EU).

The Covered Agreement, in part, commits the U.S. to phasing-out state-based reinsurance collateral requirements for EU reinsurers by 2022.[25] It further exempts EU reinsurers from current U.S. domiciliary requirements for authorized reinsurer status by creating a new, broader classification of jurisdiction called "reciprocal jurisdiction."[26] Credit for Reinsurance Model Law (#785) defines a "reciprocal jurisdiction" as a jurisdiction that meets one of the following requirements:

- A non-U.S. jurisdiction that is subject to an in-force covered agreement with the U.S., each within its legal authority, or in the case of a covered agreement between the U.S. and EU, is a member state of the EU;
- A U.S. jurisdiction that meets the requirements for accreditation under the NAIC financial standards and accreditation program; or
- A qualified jurisdiction, as determined by the Commissioner.[27]

[24] Rule 69O-144.007(4), F.A.C.
[25] United States Department of Treasury, Federal Insurance Office, *Statement of the United States on the Covered Agreement with the European Union*, 1 (September 22, 2017), https://home.treasury.gov/system/files/311/US_Covered_Agreement_Policy_Statement_Issued_September_2017_1.pdf (last visited January 28, 2021).
[26] *Id.*
[27] National Association of Insurance Commissioners, *Credit for Reinsurance Model Law-785*, 7 (Summer 2019), https://www.naic.org/store/free/MDL-785.pdf (last visited January 28, 2021).

"Covered agreements" are authorized under 31 U.S.C ss. 313 and 314 where the term is defined. The term means:

> a written bilateral or multilateral agreement regarding prudential measures with respect to the business of insurance or reinsurance that—
>
> (A) is entered into between the United States and one or more foreign governments, authorities, or regulatory entities; and
>
> (B) relates to the recognition of prudential measures with respect to the business of insurance or reinsurance that achieves a level of protection for insurance or reinsurance consumers that is substantially equivalent to the level of protection achieved under State insurance or reinsurance regulation.[28]

NAIC Accreditation and Adoption of Model Laws

NAIC accreditation is a certification that legal, regulatory, and organizational oversight standards and practices are being fulfilled by a state insurance department to promote sound insurer financial solvency regulation. The accreditation program is also designed to allow for interstate cooperation and reduces regulatory redundancies.[29] For example, the OIR's examinations may be recognized by other member states, thereby avoiding the need to have a Florida domestic insurer examined by multiple states.[30]

Currently, all 50 states, the District of Columbia, and Puerto Rico are accredited. Once accredited, a state is subject to a full accreditation review every five years, as well as interim reviews.[31] One major component of NAIC accreditation standards is the adequacy of solvency laws and regulations in each accredited state to protect consumers and guaranty funds, through the adoption of model laws.[32]

Effective January 1, 2019, NAIC included the 2011 revisions to the Credit for Reinsurance Model Law (#785) and Credit for Reinsurance Model Regulation (#786) as accreditation standards.[33] It subsequently included the 2019 revisions to Credit for Reinsurance Model Law (#785) and Credit for Reinsurance Model Regulation (#786) as accreditation standards to be effective October 1, 2022.[34]

III. Effect of Proposed Changes:

Section 1 amends s. 624.610, F.S., which provides the criteria under which an insurer is given credit for reinsurance. The bill provides insurers with credit for reinsurance if the reinsurer is

[28] 31 U.S.C. s. 313(r)(2).
[29] National Association of Insurance Commissioners, *Financial Regulation Standards and Accreditation Program,* 4 (December 2019), https://content.naic.org/sites/default/files/inline-files/FRSA%20Pamphlet%2012-2019_0.pdf (last visited January 29, 2021).
[30] *Id* at 2.
[31] National Association of Insurance Commissioners, *State Legislative Brief: The NAIC Accreditation Program* (November 2019), https://www.naic.org/documents/cmte_legislative_liaison_brief_accreditation.pdf (last visited January 28, 2021).
[32] *See supra* Note 29.
[33] *Id.*
[34] National Association of Insurance Commissioners, *CIPR Topics: Reinsurance* (September 1, 2019), https://content.naic.org/cipr_topics/topic_reinsurance.htm (last visited January 28, 2021).

domiciled in a "reciprocal jurisdiction" and meets the requirements of this section. It defines "reciprocal jurisdiction" as a jurisdiction that is:

- A non-U.S. jurisdiction that is subject to an in-force covered agreement[35] with the U.S. or, in the case of a covered agreement between the United States and the European Union,[36] an E.U. member state;
- A U.S. jurisdiction that meets the NAIC's requirements for accreditation; or
- Any other qualified jurisdiction that meets the OIR's requirements as set forth in rule.

Additional requirements of the qualified jurisdiction to be specified by Financial Services Commission (FSC)[37] rule include:

- The jurisdiction allows an insurer domiciled, or having its head office, in the jurisdiction to take credit for reinsurance ceded to an insurer domiciled in the United States in the same manner as reinsurance ceded to insurers domiciled in that jurisdiction.
- The jurisdiction does not require an assuming insurer domiciled in the United States to establish or maintain a local presence as a condition for entering into a reinsurance agreement with any ceding insurer subject to regulation by the jurisdiction or as a condition for allowing the ceding insurer to take credit for the ceded risk.
- The jurisdiction provides written confirmation that it recognizes the state regulatory approach to group supervision and group capital and that insurers and insurance groups domiciled, or maintaining their headquarters, in a jurisdiction accredited by the National Association of Insurance Commissioners are subject only to worldwide prudential insurance group supervision by the domiciliary state and are not subject to group supervision at the level of the worldwide parent undertaking of the insurance or reinsurance group by the qualified jurisdiction.
- The jurisdiction provides written confirmation that information regarding insurers and their parent, subsidiary, or affiliated entities shall be provided to the office in accordance with a memorandum of understanding or similar document between the office and such qualified jurisdiction.

A reinsurer domiciled in a reciprocal jurisdiction must maintain minimum capital and surplus in the amount of $250 million, or a greater amount as specified by FSC rule, and certain minimum solvency or capital ratios. A non-U.S. jurisdiction subject to an in-force covered agreement must maintain a minimum solvency or capital ratio specified in the covered agreement. A U.S. jurisdiction must maintain a risk-based capital ratio of 300 percent of the authorized control level,[38] calculated pursuant to s. 624.4085, F.S. A qualified jurisdiction subject to this section

[35] The bill defines a "covered agreement" to mean an agreement entered into pursuant 31 U.S.C. ss. 313 and 314 (The Dodd-Frank Wall Street Reform and Consumer Protection Act) which is effective or in a period of provisional application and addresses the elimination, under specified conditions, of collateral requirements as a condition for entering into any reinsurance agreement with a ceding insurer domiciled in this state or for allowing the ceding insurer to recognize credit for reinsurance.

[36] The United States entered into such an agreement on September 22, 2017, the Bilateral Agreement Between the United States of America and the European Union on Prudential Measures Regarding Insurance and Reinsurance.

[37] The Financial Services Commission is comprised of the Governor, Attorney General, Chief Financial Officer and the Commissioner of Agriculture.

[38] Risk-based capital is a capital adequacy standard that represents the amount of required capital an insurer must maintain, based on the inherent risks in the insurer's operations. It is determined by a formula that considers certain material risks depending on the type of insurer, and generates the regulatory minimum amount of capital that a company is required to

must maintain a minimum solvency or capital ratio determined by OIR to be an effective measure of solvency.

The reinsurer's supervisory authority must annually confirm to OIR whether the reinsurer complies with these minimum requirements. In the event the reinsurer falls below these minimum requirements, or if regulatory action is taken against it for serious noncompliance with applicable law, the reinsurer must provide written notice to OIR.

The reinsurer must consent to the jurisdiction of Florida state courts and the designation of the Chief Financial Officer for purposes of lawful service of process in any action, suit, or proceeding brought by the insurer against the reinsurer. The reinsurer must consent to pay all final judgements declared enforceable in the jurisdiction where the judgment was obtained, and the reinsurance contract must contain a provision requiring the reinsurer to provide security equal to 100 percent of reinsurance liabilities in the event the reinsurer resists enforcement of a final judgment or a properly enforceable arbitration award.

The reinsurer must agree to provide security equal to 100 percent of reinsurance liabilities and notify the insurer if the reinsurer enters into receivership for conservation, rehabilitation, or liquidation purposes.

Upon request by OIR, the reinsurer must provide the following additional documentation:

- Annual audited financial statements, for the 2-year period before entering into the reinsurance agreement and on an annual basis thereafter, in accordance with the applicable law of the jurisdiction of its head office or domiciliary jurisdiction, as applicable, including the external audit report.
- The solvency and financial condition report or actuarial opinion, if filed with the assuming insurer's supervisor, for the 2-year period before entering into the reinsurance agreement.
- Before entering into the reinsurance agreement and not more than semiannually thereafter, an updated list of all disputed and overdue reinsurance claims outstanding for 90 days or more regarding reinsurance assumed from ceding insurers domiciled in the U.S.
- Before entering into the reinsurance agreement and not more than semiannually thereafter, information regarding the assuming insurer's assumed reinsurance by ceding insurer, ceded reinsurance by the assuming insurer, and reinsurance recoverable on paid and unpaid losses by the reinsurer.
- Additional information as reasonably required by OIR.

The reinsurer must pay claims promptly pursuant to FSC rule.

OIR may revoke the reinsurer's eligibility for recognition if the reinsurer fails to meet one or more of the requirements of the subsection. In the event OIR revokes the reinsurer's eligibility, the insurer does not qualify for credit for reinsurance except to the extent the reinsurer has provided collateral to secure the reinsurance liabilities.

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maintain to avoid regulatory action. The risk-based capital standards raises a safety net for insurers, is uniform among states, and operates as a tripwire system to give state insurance regulators authority for timely corrective action.

Many reinsurers domiciled in what the bill defines as "reciprocal jurisdictions" are currently required under Florida law to hold surplus in excess of $250 million and have a secure financial strength rating from at least two statistical rating agencies.[39] The bill will allow reinsurers in reciprocal jurisdictions to instead meet the requirements created by this bill. This will allow insurers in this state to receive credit for reinsurance obtained from reinsurers with a surplus of less than $250 million if the reinsurer is domiciled in a reciprocal jurisdiction and otherwise meets the requirements established by the bill.

Section 2 provides an effective date of July 1, 2021.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Allowing insurers to receive credit for reinsurance and eliminating additional collateral requirements for reinsurers if the reinsurer is domiciled in a "reciprocal jurisdiction" provides U.S. domestic insurers with greater access to global reinsurance and improves diversification of risk.

[39] See s. 624.610(3)(e), F.S.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 624.610 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By Senator Broxson

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1 A bill to be entitled
2 An act relating to credit for reinsurance; amending s.
3 624.610, F.S.; making a technical change; transferring
4 specified authority and duties relating to credit for
5 reinsurance from the Commissioner of Insurance to the
6 Office of Insurance Regulation; revising the attorney
7 designation requirement in reinsurance agreements with
8 certain assuming insurers under certain circumstances;
9 adding conditions under which a ceding insurer must be
10 allowed credit for reinsurance; defining the terms
11 "reciprocal jurisdiction" and "covered agreement";
12 specifying requirements for assuming insurers and
13 reinsurance agreements; requiring the office to
14 publish a list of reciprocal jurisdictions on its
15 website; authorizing the office to remove reciprocal
16 jurisdictions under a specified circumstance;
17 specifying documentation requirements; authorizing a
18 ceding insurer or its representative that is subject
19 to rehabilitation, liquidation, or conservation to
20 seek a certain court order; providing construction;
21 specifying a limitation on credit taken by a ceding
22 insurer; requiring the office to publish on its
23 website a list of certain assuming insurers;
24 authorizing the office to revoke or suspend an
25 assuming insurer's eligibility under certain
26 circumstances; prohibiting credit for reinsurance
27 under certain circumstances; providing exceptions;
28 making technical changes; conforming provisions to
29 changes made by the act; providing an effective date.

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30
31 Be It Enacted by the Legislature of the State of Florida:
32
33 Section 1. Present subsections (4) through (15) of section
34 624.610, Florida Statutes, are redesignated as subsections (5)
35 through (16), respectively, a new subsection (4) is added to
36 that section, and subsection (2), paragraphs (c), (e), and (f)
37 of subsection (3), present subsection (4), paragraph (a) of
38 present subsection (5), and paragraph (b) of present subsection
39 (11) are amended, to read:
40 624.610 Reinsurance.—
41 (2) Credit for reinsurance must be allowed a ceding insurer
42 as either an asset or a reduction ~~deduction~~ from liability on
43 account of reinsurance ceded only when the reinsurer meets the
44 requirements of paragraph (3)(a), paragraph (3)(b), ~~or~~ paragraph
45 (3)(c), or subsection (4). Credit must be allowed under
46 paragraph (3)(a) or paragraph (3)(b) only for cessions of those
47 kinds or lines of business that the assuming insurer is
48 licensed, authorized, or otherwise permitted to write or assume
49 in its state of domicile or, in the case of a United States
50 branch of an alien assuming insurer, in the state through which
51 it is entered and licensed or authorized to transact insurance
52 or reinsurance.
53 (3)
54 (c)1. Credit must be allowed when the reinsurance is ceded
55 to an assuming insurer that maintains a trust fund in a
56 qualified United States financial institution, as defined in
57 paragraph (6)(b) ~~(5)(b)~~, for the payment of the valid claims of
58 its United States ceding insurers and their assigns and

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59 successors in interest. To enable the office to determine the
60 sufficiency of the trust fund, the assuming insurer shall report
61 annually to the office information substantially the same as
62 that required to be reported on the NAIC Annual Statement form
63 by authorized insurers. The assuming insurer shall submit to
64 examination of its books and records by the office and bear the
65 expense of examination.
66 2.a. Credit for reinsurance must not be granted under this
67 subsection unless the form of the trust and any amendments to
68 the trust have been approved by:
69 (I) The insurance regulator of the state in which the trust
70 is domiciled; or
71 (II) The insurance regulator of another state who, pursuant
72 to the terms of the trust instrument, has accepted principal
73 regulatory oversight of the trust.
74 b. The form of the trust and any trust amendments must be
75 filed with the insurance regulator of every state in which the
76 ceding insurer beneficiaries of the trust are domiciled. The
77 trust instrument must provide that contested claims are valid
78 and enforceable upon the final order of any court of competent
79 jurisdiction in the United States. The trust must vest legal
80 title to its assets in its trustees for the benefit of the
81 assuming insurer's United States ceding insurers and their
82 assigns and successors in interest. The trust and the assuming
83 insurer are subject to examination as determined by the
84 insurance regulator.
85 c. The trust remains in effect for as long as the assuming
86 insurer has outstanding obligations due under the reinsurance
87 agreements subject to the trust. No later than February 28 of

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88 each year, the trustee of the trust shall report to the
89 insurance regulator in writing the balance of the trust and list
90 the trust's investments at the preceding year end, and shall
91 certify that the trust will not expire prior to the following
92 December 31.
93 3. The following requirements apply to the following
94 categories of assuming insurer:
95 a. The trust fund for a single assuming insurer consists of
96 funds in trust in an amount not less than the assuming insurer's
97 liabilities attributable to reinsurance ceded by United States
98 ceding insurers, and, in addition, the assuming insurer shall
99 maintain a trusteed surplus of not less than $20 million. Not
100 less than 50 percent of the funds in the trust covering the
101 assuming insurer's liabilities attributable to reinsurance ceded
102 by United States ceding insurers and trusteed surplus shall
103 consist of assets of a quality substantially similar to that
104 required in part II of chapter 625. Clean, irrevocable,
105 unconditional, and evergreen letters of credit, issued or
106 confirmed by a qualified United States financial institution, as
107 defined in paragraph (6)(a) ~~(5)(a)~~, effective no later than
108 December 31 of the year for which the filing is made and in the
109 possession of the trust on or before the filing date of its
110 annual statement, may be used to fund the remainder of the trust
111 and trusteed surplus.
112 b.(I) In the case of a group including incorporated and
113 individual unincorporated underwriters:
114 (A) For reinsurance ceded under reinsurance agreements with
115 an inception, amendment, or renewal date on or after August 1,
116 1995, the trust consists of a trusteed account in an amount not

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less than the group’s several liabilities attributable to business ceded by United States domiciled ceding insurers to any member of the group;

(B) For reinsurance ceded under reinsurance agreements with an inception date on or before July 31, 1995, and not amended or renewed after that date, notwithstanding the other provisions of this section, the trust consists of a trusteed account in an amount not less than the group’s several insurance and reinsurance liabilities attributable to business written in the United States; and

(C) In addition to these trusts, the group shall maintain in trust a trusteed surplus of which $100 million must be held jointly for the benefit of the United States domiciled ceding insurers of any member of the group for all years of account.

(II) The incorporated members of the group must not be engaged in any business other than underwriting of a member of the group, and are subject to the same level of regulation and solvency control by the group’s domiciliary regulator as the unincorporated members.

(III) Within 90 days after its financial statements are due to be filed with the group’s domiciliary regulator, the group shall provide to the insurance regulator an annual certification by the group’s domiciliary regulator of the solvency of each underwriter member or, if a certification is unavailable, financial statements, prepared by independent public accountants, of each underwriter member of the group.

(e) If the reinsurance is ceded to an assuming insurer not meeting the requirements of paragraph (a), paragraph (b), paragraph (c), or paragraph (d), the office ~~commissioner~~ may

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allow credit, but only if the assuming insurer holds surplus in excess of $250 million and has a secure financial strength rating from at least two statistical rating organizations deemed acceptable by the office ~~commissioner~~ as having experience and expertise in rating insurers doing business in Florida, including, but not limited to, Standard & Poor’s, Moody’s Investors Service, Fitch Ratings, A.M. Best Company, and Demotech. In determining whether credit should be allowed, the office ~~commissioner~~ shall consider the following:

1. The domiciliary regulatory jurisdiction of the assuming insurer.

2. The structure and authority of the domiciliary regulator with regard to solvency regulation requirements and the financial surveillance of the reinsurer.

3. The substance of financial and operating standards for reinsurers in the domiciliary jurisdiction.

4. The form and substance of financial reports required to be filed by the reinsurers in the domiciliary jurisdiction or other public financial statements filed in accordance with generally accepted accounting principles.

5. The domiciliary regulator’s willingness to cooperate with United States regulators in general and the office in particular.

6. The history of performance by reinsurers in the domiciliary jurisdiction.

7. Any documented evidence of substantial problems with the enforcement of valid United States judgments in the domiciliary jurisdiction.

8. Any other matters deemed relevant by the office

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175 ~~commissioner~~. The office ~~commissioner~~ shall give appropriate
176 consideration to insurer group ratings that may have been
177 issued. The office ~~commissioner~~ may, in lieu of granting full
178 credit under this subsection, reduce the amount required to be
179 held in trust under paragraph (c).
180 (f) If the assuming insurer is not authorized or accredited
181 to transact insurance or reinsurance in this state pursuant to
182 paragraph (a) or paragraph (b), the credit permitted by
183 paragraph (c) or paragraph (d) must not be allowed unless the
184 assuming insurer agrees in the reinsurance agreements:
185 1.a. That in the event of the failure of the assuming
186 insurer to perform its obligations under the terms of the
187 reinsurance agreement, the assuming insurer, at the request of
188 the ceding insurer, shall submit to the jurisdiction of any
189 court of competent jurisdiction in any state of the United
190 States, will comply with all requirements necessary to give the
191 court jurisdiction, and will abide by the final decision of the
192 court or of any appellate court in the event of an appeal; and
193 b. To designate the Chief Financial Officer, pursuant to s.
194 48.151, ~~or a designated attorney~~ as its true and lawful attorney
195 upon whom may be served any lawful process in any action, suit,
196 or proceeding instituted by or on behalf of the ceding company.
197 2. This paragraph is not intended to conflict with or
198 override the obligation of the parties to a reinsurance
199 agreement to arbitrate their disputes, if this obligation is
200 created in the agreement.
201 (4) Credit must be allowed when the reinsurance is ceded to
202 an assuming insurer meeting the requirements of this subsection.
203 (a) The assuming insurer must be licensed in, and have its

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204 head office in or be domiciled in, as applicable, a reciprocal
205 jurisdiction. As used in this subsection, the term “reciprocal
206 jurisdiction” means a jurisdiction that is any of the following:
207 1. A non-United States jurisdiction that is subject to an
208 in-force covered agreement with the United States, each within
209 its legal authority; or, in the case of a covered agreement
210 between the United States and the European Union, a jurisdiction
211 that is a member state of the European Union. As used in this
212 subsection, the term “covered agreement” means an agreement
213 entered into pursuant to the Dodd-Frank Wall Street Reform and
214 Consumer Protection Act, 31 U.S.C. ss. 313 and 314, which is
215 currently in effect or in a period of provisional application
216 and which addresses the elimination, under specified conditions,
217 of collateral requirements as a condition for entering into any
218 reinsurance agreement with a ceding insurer domiciled in this
219 state or for allowing the ceding insurer to recognize credit for
220 reinsurance.
221 2. A United States jurisdiction that meets the requirements
222 for accreditation under the Financial Regulation Standards and
223 Accreditation Program of the National Association of Insurance
224 Commissioners.
225 3. A qualified jurisdiction, as determined by the office,
226 which is not otherwise described in subparagraph 1. or
227 subparagraph 2. and which meets all of the following additional
228 requirements, consistent with the terms and conditions of in-
229 force covered agreements, as specified by commission rule:
230 a. The jurisdiction allows an insurer domiciled, or having
231 its head office, in the jurisdiction to take credit for
232 reinsurance ceded to an insurer domiciled in the United States

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233 in the same manner as reinsurance ceded to insurers domiciled in
234 that jurisdiction.
235 b. The jurisdiction does not require an assuming insurer
236 domiciled in the United States to establish or maintain a local
237 presence as a condition for entering into a reinsurance
238 agreement with any ceding insurer subject to regulation by the
239 jurisdiction or as a condition for allowing the ceding insurer
240 to take credit for the ceded risk.
241 c. The jurisdiction provides written confirmation that it
242 recognizes the state regulatory approach to group supervision
243 and group capital and that insurers and insurance groups
244 domiciled, or maintaining their headquarters, in a jurisdiction
245 accredited by the National Association of Insurance
246 Commissioners are subject only to worldwide prudential insurance
247 group supervision by the domiciliary state and are not subject
248 to group supervision at the level of the worldwide parent
249 undertaking of the insurance or reinsurance group by the
250 qualified jurisdiction.
251 d. The jurisdiction provides written confirmation that
252 information regarding insurers and their parent, subsidiary, or
253 affiliated entities shall be provided to the office in
254 accordance with a memorandum of understanding or similar
255 document between the office and such qualified jurisdiction.
256
257 The office shall timely publish on its website a list of
258 reciprocal jurisdictions. The office may remove a reciprocal
259 jurisdiction determined to no longer meet the requirements of
260 this paragraph.
261 (b)1. The assuming insurer must have and maintain on an

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262 ongoing basis minimum capital and surplus, or its equivalent,
263 calculated according to the methodology of its domiciliary
264 jurisdiction, in the amount of $250 million or in a greater
265 amount specified by commission rule.
266 2. If the assuming insurer is an association, including
267 incorporated and individual unincorporated underwriters, it must
268 have and maintain on an ongoing basis:
269 a. Minimum capital and surplus equivalents, or net of
270 liabilities, calculated according to the methodology applicable
271 in its domiciliary jurisdiction, in the amount of $250 million
272 or in a greater amount specified by commission rule.
273 b. A central fund containing a balance of $250 million or a
274 greater amount specified by commission rule.
275 (c) If credit is allowed for reinsurance ceded to the
276 assuming insurer pursuant to:
277 1. Subparagraph (a)1., the assuming insurer must maintain a
278 minimum solvency or capital ratio specified in the applicable
279 covered agreement.
280 2. Subparagraph (a)2., the assuming insurer must maintain a
281 risk-based capital ratio of 300 percent of the authorized
282 control level, calculated in accordance with s. 624.4085.
283 3. Subparagraph (a)3., the assuming insurer must maintain a
284 solvency or capital ratio determined by the office to be an
285 effective measure of solvency.
286 (d) The assuming insurer must, in a form specified by the
287 commission:
288 1. Agree to provide prompt written notice and explanation
289 to the office if the assuming insurer falls below the minimum
290 requirements set forth in paragraph (b) or paragraph (c), or if

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291 any regulatory action is taken against it for serious
292 noncompliance with applicable law of any jurisdiction.
293 2. Consent in writing to the jurisdiction of the courts of
294 this state and to the designation of the Chief Financial
295 Officer, pursuant to s. 48.151, as its true and lawful attorney
296 upon whom may be served any lawful process in any action, suit,
297 or proceeding instituted by or on behalf of the ceding insurer.
298 This subparagraph does not limit or alter in any way the
299 capacity of parties to a reinsurance agreement to agree to an
300 alternative dispute resolution mechanism, except to the extent
301 that such agreement is unenforceable under applicable insolvency
302 or delinquency laws.
303 3. Consent in writing to pay all final judgments, wherever
304 enforcement is sought, obtained by a ceding insurer or its legal
305 successor which have been declared enforceable in the
306 jurisdiction where the judgment was obtained.
307 4. Confirm in writing that it will include in each
308 reinsurance agreement a provision requiring the assuming insurer
309 to provide security in an amount equal to 100 percent of the
310 assuming insurer's liabilities attributable to reinsurance ceded
311 pursuant to that agreement, if the assuming insurer resists
312 enforcement of a final judgment that is enforceable under the
313 law of the jurisdiction in which it was obtained or enforcement
314 of a properly enforceable arbitration award, whether obtained by
315 the ceding insurer or by its legal successor on behalf of its
316 resolution estate.
317 5. Confirm in writing that it is not presently
318 participating in any solvent scheme of arrangement which
319 involves this state's ceding insurers, and agree to notify the

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320 ceding insurer and the office and to provide security in an
321 amount equal to 100 percent of the assuming insurer's
322 liabilities to the ceding insurer if the assuming insurer enters
323 into such a solvent scheme of arrangement. Such security must be
324 consistent with subsection (5) or as specified by commission
325 rule.
326 (e) If requested by the office, the assuming insurer or its
327 legal successor must provide, on behalf of itself and any legal
328 predecessors, the following additional documentation:
329 1. The assuming insurer's annual audited financial
330 statements, for the 2-year period before entering into the
331 reinsurance agreement and on an annual basis thereafter, in
332 accordance with the applicable law of the jurisdiction of its
333 head office or domiciliary jurisdiction, as applicable,
334 including the external audit report.
335 2. The solvency and financial condition report or actuarial
336 opinion, if filed with the assuming insurer's supervisor, for
337 the 2-year period before entering into the reinsurance
338 agreement.
339 3. Before entering into the reinsurance agreement and not
340 more than semiannually thereafter, an updated list of all
341 disputed and overdue reinsurance claims outstanding for 90 days
342 or more regarding reinsurance assumed from ceding insurers
343 domiciled in the United States.
344 4. Before entering into the reinsurance agreement and not
345 more than semiannually thereafter, information regarding the
346 assuming insurer's assumed reinsurance by ceding insurer, ceded
347 reinsurance by the assuming insurer, and reinsurance recoverable
348 on paid and unpaid losses by the assuming insurer.

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

349 5. Additional information as reasonably required by the
350 office.
351 (f) The assuming insurer must maintain a practice of prompt
352 payment of claims under reinsurance agreements and must report
353 to the office reinsurance recoverables that are more than 90
354 days overdue or that are in dispute, as specified by commission
355 rule.
356 (g) The assuming insurer must annually provide to the
357 office confirmation from its reciprocal jurisdiction, on a form
358 adopted by the commission or as otherwise specified by
359 commission rule, that, as of the preceding December 31 or as of
360 the annual date otherwise statutorily reported to the reciprocal
361 jurisdiction, the assuming insurer complied with the
362 requirements of paragraphs (b) and (c).
363 (h) This subsection does not preclude an assuming insurer
364 from providing the office with information on a voluntary basis.
365 (i) If subject to a legal process of rehabilitation,
366 liquidation, or conservation, as applicable, the ceding insurer
367 or its representative may seek and, if determined appropriate by
368 the court in which the proceedings are pending, obtain an order
369 requiring that the assuming insurer post security for all
370 outstanding ceded liabilities.
371 (j) This subsection does not limit or alter in any way the
372 capacity of parties to a reinsurance agreement to agree on
373 requirements for security or other terms in the reinsurance
374 agreement, except as expressly prohibited by this section or
375 other applicable law or commission rule.
376 (k)1. Credit may be taken under this subsection only for
377 reinsurance agreements entered into, amended, or renewed on or

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378 after the date on which the assuming insurer has satisfied the
379 requirements to assume reinsurance under this subsection, and
380 only with respect to losses incurred and reserves reported on or
381 after the later of the date on which the assuming insurer has
382 met all eligibility requirements pursuant to this subsection or
383 the effective date of the new reinsurance agreement, amendment,
384 or renewal.
385 2. This paragraph does not alter or impair a ceding
386 insurer’s right to take credit for reinsurance for which, and to
387 the extent that, credit is not available under this subsection,
388 if the reinsurance qualifies for credit under any other
389 applicable provision of law or commission rule.
390 3. This subsection does not authorize an assuming insurer
391 to withdraw or reduce the security provided under any
392 reinsurance agreement, except as authorized by the terms of the
393 agreement.
394 4. This subsection does not limit or alter in any way the
395 capacity of parties to any reinsurance agreement to renegotiate
396 the agreement.
397 (l) The office shall timely publish on its website a list
398 of assuming insurers that meet all of the requirements of this
399 subsection.
400 (m) If the office determines that an assuming insurer no
401 longer meets one or more of the requirements of this subsection,
402 the office may revoke or suspend the eligibility of the assuming
403 insurer for recognition under this subsection.
404 1. During the suspension of an assuming insurer’s
405 eligibility, a reinsurance agreement issued, amended, or renewed
406 after the effective date of the suspension does not qualify for

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407 credit, except to the extent that the assuming insurer’s
408 obligations under the contract are secured in accordance with
409 subsection (5).
410 2. If an assuming insurer’s eligibility is revoked, a
411 credit for reinsurance may not be granted after the effective
412 date of the revocation with respect to any reinsurance agreement
413 entered into by the assuming insurer, including a reinsurance
414 agreement entered into before the date of revocation, except to
415 the extent that the assuming insurer’s obligations under the
416 contract are secured in a form acceptable to the office and
417 consistent with subsection (5).
418 (5) ~~(4)~~ An asset allowed or a reduction ~~deduction~~ from
419 liability taken for the reinsurance ceded by an insurer to an
420 assuming insurer not meeting the requirements of subsections
421 (2), ~~and~~ (3), and (4) is allowed in an amount not exceeding the
422 liabilities carried by the ceding insurer. The reduction
423 ~~deduction~~ must be in the amount of funds held by or on behalf of
424 the ceding insurer, including funds held in trust for the ceding
425 insurer, under a reinsurance contract with the assuming insurer
426 as security for the payment of obligations thereunder, if the
427 security is held in the United States subject to withdrawal
428 solely by, and under the exclusive control of, the ceding
429 insurer, or, in the case of a trust, held in a qualified United
430 States financial institution, as defined in paragraph (6)(b)
431 ~~(5)(b)~~. This security may be in the form of:
432 (a) Cash in United States dollars;
433 (b) Securities listed by the Securities Valuation Office of
434 the National Association of Insurance Commissioners and
435 qualifying as admitted assets pursuant to part II of chapter

436 625;
437 (c) Clean, irrevocable, unconditional letters of credit,
438 issued or confirmed by a qualified United States financial
439 institution, as defined in paragraph (6)(a) ~~(5)(a)~~, effective no
440 later than December 31 of the year for which the filing is made,
441 and in the possession of, or in trust for, the ceding company on
442 or before the filing date of its annual statement; or
443 (d) Any other form of security acceptable to the office.
444 (6)(a) ~~(5)(a)~~ For purposes of paragraph (5)(c) ~~(4)(c)~~
445 regarding letters of credit, a “qualified United States
446 financial institution” means an institution that:
447 1. Is organized or, in the case of a United States office
448 of a foreign banking organization, is licensed under the laws of
449 the United States or any state thereof;
450 2. Is regulated, supervised, and examined by United States
451 or state authorities having regulatory authority over banks and
452 trust companies; and
453 3. Has been determined by either the office or the
454 Securities Valuation Office of the National Association of
455 Insurance Commissioners to meet such standards of financial
456 condition and standing as are considered necessary and
457 appropriate to regulate the quality of financial institutions
458 whose letters of credit will be acceptable to the office.
459 (12) ~~(11)~~
460 (b) The summary statement must be signed and attested to by
461 either the chief executive officer or the chief financial
462 officer of the reporting insurer. In addition to the summary
463 statement, the office may require the filing of any supporting
464 information relating to the ceding of such risks as it deems

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465 necessary. If the summary statement prepared by the ceding
466 insurer discloses that the net effect of a reinsurance treaty or
467 treaties (or series of treaties with one or more affiliated
468 reinsurers entered into for the purpose of avoiding the
469 following threshold amount) at any time results in an increase
470 of more than 25 percent to the insurer's surplus as to
471 policyholders, then the insurer shall certify in writing to the
472 office that the relevant reinsurance treaty or treaties comply
473 with the accounting requirements contained in any rule adopted
474 by the commission under subsection (15) ~~(14)~~. If such
475 certificate is filed after the summary statement of such
476 reinsurance treaty or treaties, the insurer shall refile the
477 summary statement with the certificate. In any event, the
478 certificate must state that a copy of the certificate was sent
479 to the reinsurer under the reinsurance treaty.
480 Section 2. This act shall take effect July 1, 2021.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

2/16/2021
Meeting Date

SB 728
Bill Number (if applicable)

Amendment Barcode (if applicable)

Topic CREDIT FOR REINSURANCE

Name JIM MASSIE

Job Title FLORIDA COUNSEL FOR REINSURANCE ASSOCIATION OF AMERICA

Address 1975 FARMS ROAD
Street

Phone 850.933.2108

TALLAHASSEE, FL 32317
City State Zip

Email JMASSIE41@AOL.COM

Speaking: ☐ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing REINSURANCE ASSOCIATION OF AMERICA

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

2/16/2021
Meeting Date

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

SB 728
Bill Number (if applicable)

Amendment Barcode (if applicable)

Topic: Credit for Reinsurance

Name: Allison Hess Sitte ("city")

Job Title: Legislative Affairs Director

Address: 200 E. Gaines Street
Street

Tallahassee FL 32399
City State Zip

Phone: 413-5005

Email: allison.sitte@floir.com

Speaking: ☐ For ☐ Against ☐ Information

Waive Speaking: ☑ In Support ☐ Against
(The Chair will read this information into the record.)

Representing: Office of Insurance Regulation

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☑ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

2/16/21
Meeting Date

728
Bill Number (if applicable)

Topic: Credit for Reinsurance

Amendment Barcode (if applicable):

Name: Greg Black

Job Title: Lobbyist

Address: 1727 Highland Place
Street

Tall | FL | 32308
City | State | Zip

Phone: 850 509 8022

Email: greg@waypointstrat.com

Speaking: ☐ For ☐ Against ☐ Information

Waive Speaking: ☑ In Support ☐ Against
(The Chair will read this information into the record.)

Representing: R Street Institute

Appearing at request of Chair: ☐ Yes ☑ No

Lobbyist registered with Legislature: ☑ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

CourtSmart Tag Report

Room: KN 412 **Case No.:** **Type:**
Caption: Banking and Insurance Committee **Judge:**

Started: 2/16/2021 3:31:29 PM
Ends: 2/16/2021 3:47:38 PM Length: 00:16:10

3:31:29 PM Meeting is called to order
3:31:41 PM Roll call
3:31:48 PM Senator Boyd is excused from the meeting today
3:32:10 PM Quorum is present
3:32:41 PM Take up tab 1 SB 512 by Senator Burgess Public Records/Applications for a De Novo Banking Charter
3:33:40 PM Delete all amendment barcode 188548 is taken up first
3:35:33 PM Barcode 188548 has been explained
3:35:42 PM No questions on the amendment
3:36:00 PM No public appearance
3:36:04 PM No debate
3:36:07 PM Senator Burgess waives close
3:36:14 PM Voice call for Yeas/nays- amendment is adopted
3:36:25 PM Back on the bill SB 512
3:36:30 PM Question from Senator Taddeo to Senator Burgess for reason of confidentiality
3:37:39 PM Senator Burgess explains
3:38:44 PM Follow up question from Senator Taddeo
3:39:00 PM Senator Burgess responds
3:39:21 PM No public appearance
3:39:26 PM Senator Stewart in debate
3:40:02 PM Senator Burgess closes on the bill
3:40:23 PM Roll call
3:40:29 PM CS for SB 512 is reported favorably
3:40:59 PM Tab 2 SB 702 by Senator Thurston, Individual Retirement Accounts
3:41:33 PM Senator Thurston explains the bill
3:42:16 PM Member questions: none
3:42:20 PM Public appearances
3:42:21 PM Martha Edenfield, Attorney
3:42:52 PM Attorney for the Real Property Probate and Trust Law Section of the Florida Bar Tallahassee waives in support
3:42:53 PM Senator Thurston waives close
3:42:59 PM Roll Call
3:43:01 PM SB 702 is reported favorably
3:43:26 PM Chair Broxson passes Gavel to Senator Rouson
3:43:46 PM Senator Broxson is recognized to present SB 728 Credit for Reinsurance
3:44:27 PM Questions from the members: none
3:44:55 PM Public appearance: none
3:45:05 PM Jim Massie, Florida Counsel for Reinsurance Association of America waiving in support of the bill
3:45:25 PM Allison Hess, Legislative Affairs Director, Office of Insurance Regulation waives in support
3:45:40 PM Greg Black, Lobbyist R Street Institute
3:45:54 PM Waives in support
3:45:58 PM Anyone else at Civic Center: none
3:46:11 PM Member debate on the bill
3:46:17 PM None
3:46:19 PM Senator Broxson waives close
3:46:26 PM Roll call
3:46:28 PM SB 728 is reported favorably
3:46:52 PM Senator Rouson passes the Gavel back to Senator Broxson
3:47:06 PM Chair Broxson asks if any senators wish to record a missed vote
3:47:12 PM No vote after
3:47:20 PM No further business before the committee
3:47:24 PM Senator Rouson moves to adjourn. The meeting is adjourned.