

By Senator Dawson-White

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A bill to be entitled  
An act relating to insurance; creating s.  
627.4045, F.S.; authorizing insurers to collect  
premium security deposits and establishing  
guidelines for their use; defining the term  
"premium security deposit"; providing an  
effective date.

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

Section 1. Section 627.4045, Florida Statutes, is  
created to read:

627.4045 Premium security deposits.--

(1) Notwithstanding any provision of law to the  
contrary, an insurer may accept and hold premium security  
deposits made by the insured.

(2) The insurer may pay interest to the insured on a  
premium security deposit. Interest may be a fixed or variable  
amount, or it may be expressed as a fixed or variable rate.

(3) For purposes of s. 624.509, a premium security  
deposit is not premium until the security deposit is used by  
the insurer to pay earned premium obligations of the insured.

(4) Any premium security deposit given by the insured  
under this section shall be included in the definition of the  
term "covered claim" for the purposes of chapter 631.

(5) As used in this section, the term "premium  
security deposit" means moneys that are deposited with an  
insurer to secure payment of premium under an insurance  
contract or agreement.

Section 2. This act shall take effect July 1, 1999.

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SENATE SUMMARY

Authorizes insurers to collect premium security deposits.  
Establishes guidelines for the handling of such deposits.