

By Representative Dockery

1 A bill to be entitled
2 An act relating to premium security deposits;
3 creating s. 627.4045, F.S.; authorizing
4 insurers to accept and hold premium security
5 deposits for certain purposes; providing a
6 definition; authorizing an insurer to pay
7 interest on such deposits; specifying
8 conditions under which such deposits are
9 considered premium; including such deposits
10 within the definition of covered claim for
11 certain purposes; providing an effective date.

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

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

17 627.4045 Premium security deposits.--

18 (1) Notwithstanding any other provision of law, an
19 insurer may accept and hold any premium security deposit made
20 by an insured. For purposes of this section, "premium security
21 deposit" means moneys which are deposited with an insurer to
22 secure payment of premium under an insurance contract or
23 agreement.

24 (2) An insurer may pay interest to the insured on a
25 premium security deposit, which interest may be a fixed or
26 variable amount or may be expressed as a fixed or variable
27 rate or rates.

28 (3) For purposes of s. 624.509, a premium security
29 deposit shall not be considered as premium until the deposit
30 is used by the insurer to pay any earned premium obligation of
31 the insured.

