

By Representative Ogles

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:

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627.4045 Premium security deposits.--

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

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

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

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

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

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8 HOUSE SUMMARY
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10 Authorizes insurers to accept and hold premium security
11 deposits made by insureds to secure payment of premium
12 interest on such deposits. Authorizes insurers to pay
 considered premium when used to pay earned premium
 obligations of an insured.

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