

By the Committee on Insurance and 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:

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 to provide commercial property and casualty lines
24 coverage, including workers' compensation and employers'
25 liability coverage.

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

30 (3) For purposes of s. 624.509, a premium security
31 deposit shall not be considered as premium received until the

1 deposit is used by the insurer to pay any earned premium
2 obligation of the insured.

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

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

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