

By Representative Waters

1 A bill to be entitled
2 An act relating to industrial insured captive
3 insurers; amending s. 628.903, F.S.; revising a
4 definition; providing additional requirements;
5 providing an effective date.

6
7 Be It Enacted by the Legislature of the State of Florida:

8
9 Section 1. Section 628.903, Florida Statutes, is
10 amended to read:

11 628.903 "Industrial insured captive insurer"
12 defined.--For purposes of this part:

13 (1) An "industrial insured" means an insured which:

14 (a) Has gross assets in excess of \$10~~\$50~~ million and~~+~~

15 ~~(b)~~ procures insurance through the use of a full-time
16 employee of the insured who acts as an insurance manager or
17 buyer or through the services of a person licensed as a
18 property and casualty insurance agent, broker, or consultant
19 in such person's state of domicile. +

20 ~~(b)(c)~~ Has at least 25 ~~100~~ full-time employees. + ~~and~~

21 ~~(c)(d)~~ Has Pays annual aggregate premiums for all
22 insurance risks that total of at least \$100,000~~\$200,000 for~~
23 ~~each line of insurance purchased from the industrial insured~~
24 ~~captive insurer or at least \$75,000, with respect to any line~~
25 ~~of coverage excess of at least \$25 million in the annual~~
26 ~~aggregate. The purchase of umbrella or general liability~~
27 ~~coverage excess of \$25 million in the annual aggregate shall~~
28 ~~be deemed to be the purchase of a single line of insurance.~~

29 (2) An "industrial insured captive insurer" is a
30 captive insurer that:

31

1 (a) Has as its stockholders or members only industrial
2 insureds that are reinsured pursuant to subparagraph (b)2. or
3 insured by the industrial insured captive insurer, or has as
4 its sole stockholder a corporation, which corporation's sole
5 stockholders are industrial insureds that are reinsured
6 pursuant to subparagraph (b)2. or insured by the industrial
7 insured captive insurer. ~~and~~

8 (b)1. Provides insurance only to the industrial
9 insureds that are its stockholders or members, and affiliates
10 thereof, or to the stockholders, and affiliates thereof, of
11 its parent corporation; or

12 2. Provides reinsurance to insurers only on risks
13 written by such insurers for the industrial insureds who are
14 the stockholders or members, and affiliates thereof, of the
15 industrial insured captive insurer, or the stockholders, and
16 affiliates thereof, of the parent corporation of the
17 industrial insured captive insurer.

18 (c) Possesses and maintains unimpaired paid-in capital
19 of at least \$5 million and unimpaired surplus of at least \$15
20 million.

21
22 For the purposes of ~~this~~ paragraph(b), the term "affiliate"
23 means a person that directly, or indirectly through one or
24 more intermediaries, controls, is controlled by, or is under
25 common control with one or more of the stockholders or members
26 of the industrial insured captive insurer or one or more of
27 the stockholders of the parent corporation of the industrial
28 insured captive insurer.

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

31

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

HOUSE SUMMARY

Revises the definition of industrial insured captive insurer to change specified criteria and requirements. See bill for details.