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2 An act relating to industrial insured captive  
3 insurers; amending s. 628.903, F.S.; specifying  
4 requirements for industrial insureds of an  
5 industrial insured captive insurer; providing  
6 an additional requirement for industrial  
7 insured captive insurers; providing an  
8 effective date.  
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10 Be It Enacted by the Legislature of the State of Florida:

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12 Section 1. Section 628.903, Florida Statutes, is  
13 amended to read:

14 628.903 "Industrial insured captive insurer"  
15 defined.--For purposes of this part:

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

17 (a) Has gross assets in excess of \$50 million;

18 (b) Procures insurance through the use of a full-time  
19 employee of the insured who acts as an insurance manager or  
20 buyer or through the services of a person licensed as a  
21 property and casualty insurance agent, broker, or consultant  
22 in such person's state of domicile;

23 (c) Has at least 100 full-time employees; and

24 (d) Pays annual premiums of at least \$200,000 for each  
25 line of insurance purchased from the industrial insured  
26 captive insurer or at least \$75,000, with respect to any line  
27 of coverage excess of at least \$25 million in the annual  
28 aggregate. The purchase of umbrella or general liability  
29 coverage excess of \$25 million in the annual aggregate shall  
30 be deemed to be the purchase of a single line of insurance.  
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1           (2) An "industrial insured captive insurer" is a  
2 captive insurer that:

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

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

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

20           (c) Maintains unimpaired capital and surplus of at  
21 least \$20 million.

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

30           (3) Each industrial insured of an industrial insured  
31 captive insurer licensed in this state prior to December 31,

- 1 1999, or any subsidiary formed by the licensed insurer after  
2 December 31, 1999, shall have:
- 3 (a) Gross assets in excess of \$10 million and procure  
4 insurance through the use of a full-time employee of the  
5 insured who acts as an insurance manager or buyer or through  
6 the services of a person licensed as a property and casualty  
7 insurance agent, broker, or consultant in such person's state  
8 of domicile.
- 9 (b) At least 25 full-time employees.
- 10 (c) Annual aggregate premiums for all insurance risks  
11 that total at least \$100,000.

12 Section 2. This act shall take effect upon becoming a  
13 law.

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