By Senator Webster

12-386-00

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; authorizing an

6   insurer to pay interest on such deposits;

7   specifying conditions under which such deposits

8   are considered premium; providing that such

9   deposits constitute a covered claim for certain

10   purposes; providing an effective date.

11

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

13

14   Section 1. Section 627.4045, Florida Statutes, is

15   created to read:

16   627.4045 Premium security deposits.--

17   (1) An insurer may accept and hold a premium security

18   deposit made by an insured. As used in this section, the term

19   "premium security deposit" means moneys that are deposited

20   with an insurer to secure payment of premium under an

21   insurance contract or agreement to provide commercial property

22   and casualty insurance, including workers' compensation and

23   employers' liability coverage.

24   (2) An insurer may pay interest to an insured on a

25   premium security deposit. The interest may be a fixed or

26   variable amount or may be expressed as a fixed or variable

27   rate.

28   (3) For purposes of s. 624.509, a premium security

29   deposit is not to be considered as premium received until the

30   deposit is used by an insurer to pay any earned premium

31   obligation of the insured.

1   (4) Any premium security deposit given to an insurer

2 by an insured constitutes a covered claim for the purposes of

3 chapter 631.

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

5 law.

6

7   **

8   SENATE SUMMARY

9   Authorizes insurers to accept and hold premium security
    deposits. Establishes guidelines for the handling of such
10 deposits. Authorizes an insurer to pay interest on such
    deposits. Provides that such deposits are not premium
11 until used by an insurer to pay an earned premium
    obligation of the insured.

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31