

By the Committee on Banking and Insurance; and Senator Webster

311-841-00

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 are considered unearned premium for
 10 certain purposes; providing an effective date.

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

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 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 is considered an unearned premium for purposes
3 of parts II and V of chapter 631.

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

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7 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
8 COMMITTEE SUBSTITUTE FOR
9 Senate Bill 822

10 The committee substitute provides that a premium security
11 deposit is considered, for purposes of ch. 631, F.S., an
12 "unearned premium," instead of a "covered claim," for purposes
of prioritization and recovery of the claim, in the event an
insurer becomes insolvent.

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