

By Representative Holloway

1 A bill to be entitled
2 An act relating to insurance transactions
3 involving nonresidents; amending s. 624.402,
4 F.S.; providing an exception to certain
5 certificate-of-authority requirements for
6 certain insurers issuing policies to certain
7 persons; providing an effective date.

8
9 Be It Enacted by the Legislature of the State of Florida:

10
11 Section 1. Subsection (2) of section 624.402, Florida
12 Statutes, is amended to read:

13 624.402 Exceptions, certificate of authority
14 required.--A certificate of authority shall not be required of
15 an insurer with respect to:

16 (2) Transactions involving a policy issued by an
17 ~~insurer domiciled outside this state and, subsequent to~~
18 ~~issuance thereof, covering only subjects of insurance not~~
19 ~~resident or, located, or expressly to be performed in this~~
20 state at the time of issuance, provided:

21 (a) The insurer had a net worth of not less than \$5
22 million and the insurer and entities affiliated with the
23 insurer had a combined or consolidated net worth of not less
24 than \$10 million, as calculated in accordance with generally
25 accepted accounting principles applicable in the relevant
26 jurisdiction as of the end of the most recent fiscal year.

27 (b) The insurer or at least one of its affiliates has
28 been in the business of issuing policies of insurance for not
29 less than 3 years.

30
31

1 (c) The insurer or at least one of its affiliates is
2 rated by a recognized international insurance company rating
3 organization specified by rule adopted by the department.

4 (d) The insurer discloses in writing to any applicant
5 for a policy issued in reliance on this subsection, in clear
6 and conspicuous language prior to the applicant's submission
7 of an application for a policy:

8 1. The net worth of the insurer and the combined or
9 consolidated net worth of the insurer and its affiliates
10 calculated in accordance with generally accepted accounting
11 principles applicable in the relevant jurisdiction as of the
12 end of the most recent fiscal year;

13 2. The date of organization of the insurer;

14 3. The identity of and rating assigned by each
15 recognized international insurance company rating organization
16 that has rated the insurer or one of its affiliates and, if
17 applicable, that the rating in question has been assigned to
18 an affiliate of the insurer and not to the insurer itself; and

19 4. That the insurer does not hold a certificate of
20 authority issued by the department, and that the department
21 does not exercise regulatory oversight over the insurer.

22
23 For purposes of paragraphs (b), (c), and (d), an entity is an
24 affiliate of an insurer if the entity's financial condition is
25 reflected in the calculation of a combined or consolidated net
26 worth as referenced in paragraph (a) and lawfully solicited,
27 written, or delivered outside this state.

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

30
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

Excepts specified insurers from certificate-of-authority requirements with respect to transactions involving a policy issued by an insurer domiciled outside this state and covering only subjects of insurance not resident or located in this state at the time of issuance.