

Bill No. CS for CS for SB 1712

Amendment No. ____ Barcode 582788

CHAMBER ACTION

Senate

House

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Senators Alexander and Posey moved the following amendment:

Senate Amendment

On page 1168, lines 26-28, delete those lines

and insert:

Section 1019. Subsections (3), (5), (6), (7), and (8) of section 626.921, Florida Statutes, is amended to read:

626.921 Florida Surplus Lines Service Office.--

(3) The association shall perform its functions under a plan of operation adopted under subsection (5). It shall exercise its powers through a board of governors established under subsection (4). The association shall be regulated by the office department and is subject to the applicable provisions of this code and the rules of the commission and, with respect to surplus lines agents, rules of the department.

The service office shall conduct the following activities provided in the plan of operation adopted under subsection (5):

(a) Receive, record, and review all surplus lines insurance policies or documents.

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1 (b) Maintain records of the surplus lines policies
2 reported to the service office and prepare monthly reports for
3 the office department in such form as the commission
4 department may prescribe.

5 (c) Prepare and deliver to each surplus lines agent
6 quarterly reports of each surplus lines agent's business in
7 such form as the commission department may prescribe, and
8 collect and remit to the department the surplus lines tax as
9 provided for in s. 626.932.

10 (d) Perform a reconciliation of the policies written
11 in the nonadmitted market, as provided by nonadmitted
12 insurers, with the policies reported to the service office by
13 the surplus lines agents, and prepare and deliver to the
14 office department a report on the results of the
15 reconciliation in such form as the commission department may
16 prescribe.

17 (e) Submit to the office department for review and
18 approval an annual budget for the operation of the service
19 office.

20 (f) Collect from each surplus lines agent a service
21 fee of up to 0.3 percent, as determined by the office
22 department, of the total gross premium of each surplus lines
23 policy or document reported under this section, for the cost
24 of operation of the service office. The service fee shall be
25 paid by the insured.

26 (g) Employ and retain such personnel as are necessary
27 to carry out the duties of the service office.

28 (h) Borrow money, as necessary, to effect the purposes
29 of the service office.

30 (i) Enter into contracts, as necessary, to effect the
31 purposes of the service office.

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1 (j) Perform such other acts as will facilitate and
2 encourage compliance with the surplus lines law of this state
3 and rules adopted thereunder.

4 (k) Provide such other services as are incidental or
5 related to the purposes of the service office.

6 (5)(a) The association shall submit to the office
7 ~~department~~ a plan of operation, and any amendments thereto, to
8 provide operating procedures for the administration of the
9 service office. The plan of operation and any amendments
10 thereto shall become effective upon approval by order of the
11 office department.

12 (b) If the association fails to submit a suitable plan
13 of operation within 180 days following the effective date of
14 this act, or if at any time thereafter the association fails
15 to submit suitable amendments to the plan of operation, the
16 office department shall, after notice and hearing, adopt by
17 order a plan of operation, or amendments to a plan of
18 operation, and the commission shall adopt such rules as are
19 necessary or advisable to effectuate the provisions of this
20 section. Such rules shall continue in force until modified by
21 the commission department or superseded by a plan of operation
22 submitted by the association and approved by order of the
23 office department.

24 (c) All surplus lines agents licensed in this state
25 must comply with the plan of operation.

26 (6) The office department shall, at such times deemed
27 necessary, make or cause to be made an examination of the
28 association. The costs of any such examination shall be paid
29 by the association. During the course of such examination,
30 the governors, officers, agents, employees, and members of the
31 association may be examined under oath regarding the operation

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1 of the service office and shall make available all books,
2 records, accounts, documents, and agreements pertaining
3 thereto.

4 (7) There shall be no liability on the part of, and no
5 cause of action of any nature shall arise against, any member
6 or its agents or employees, agents or employees of the
7 association, the commission, the office, members of the board
8 of governors of the association, or the department or its
9 representatives, for any action taken by them in the
10 performance of their duties or responsibilities under this
11 subsection. Such immunity does not apply to actions for breach
12 of any contract or agreement pertaining to insurance, or any
13 willful tort.

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