

HB 1653

2004

1 A bill to be entitled
 2 An act relating to the insurance premium tax; amending s.
 3 624.509, F.S.; requiring insurers to pay premium tax on
 4 certain title insurance premium gross receipts; providing
 5 limitations; amending s. 627.7711, F.S.; revising a
 6 definition of the term "premium" for title insurance
 7 purposes; providing an effective date.

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

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 11 Section 1. Subsection (1) of section 624.509, Florida
 12 Statutes, is amended to read:

13 624.509 Premium tax; rate and computation.--

14 (1) In addition to the license taxes provided for in this
 15 chapter, each insurer shall also annually, and on or before
 16 March 1 in each year, except as to wet marine and transportation
 17 insurance taxed under s. 624.510, pay to the Department of
 18 Revenue a tax on insurance premiums, premiums for title
 19 insurance, or assessments, including membership fees and policy
 20 fees and gross deposits received from subscribers to reciprocal
 21 or interinsurance agreements, and on annuity premiums or
 22 considerations, received during the preceding calendar year, the
 23 amounts thereof to be determined as set forth in this section,
 24 to wit:

25 (a) An amount equal to 1.75 percent of the gross amount of
 26 such receipts on account of life and health insurance policies
 27 covering persons resident in this state and on account of all
 28 other types of policies and contracts (except annuity policies
 29 or contracts taxable under paragraph (b) and title insurance

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30 policies or contracts written through affiliated and
 31 nonaffiliated agencies and taxable under paragraph (c)) covering
 32 property, subjects, or risks located, resident, or to be
 33 performed in this state, omitting premiums on reinsurance
 34 accepted, and less return premiums or assessments, but without
 35 deductions:

- 36 1. For reinsurance ceded to other insurers.~~;~~
- 37 2. For moneys paid upon surrender of policies or
 38 certificates for cash surrender value.~~;~~
- 39 3. For discounts or refunds for direct or prompt payment
 40 of premiums or assessments.~~;~~~~and~~
- 41 4. On account of dividends of any nature or amount paid
 42 and credited or allowed to holders of insurance policies;
 43 certificates; or surety, indemnity, reciprocal, or
 44 interinsurance contracts or agreements.~~;~~~~and~~

45 (b) An amount equal to 1 percent of the gross receipts on
 46 annuity policies or contracts paid by holders thereof in this
 47 state.

48 (c) An amount equal to 1.75 percent of the gross receipts
 49 on title insurance written through affiliated and nonaffiliated
 50 agencies, less the portion of the gross receipts retained by or
 51 paid under contract to any title insurance agents of the
 52 affiliated or nonaffiliated agencies. This reduction in the
 53 insurer's total amount of title insurance premium gross receipts
 54 received through affiliated and nonaffiliated agencies may not
 55 exceed 70 percent of the total title insurance premium gross
 56 receipts received by the insurer through affiliated and
 57 nonaffiliated agencies.

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58 Section 2. Subsection (2) of section 627.7711, Florida
59 Statutes, is amended to read:

60 627.7711 Definitions.--As used in this part, the term:

61 (2) "Premium" means the charge, as specified by rule of
62 the commission, that is made by a title insurer for a title
63 insurance policy, including the charge for performance of
64 primary title services by a title insurer or title insurance
65 agent or agency, and incurring the risks incident to such
66 policy, under the several classifications of title insurance
67 contracts and forms, ~~and upon which charge a premium tax is paid~~
68 ~~under s. 624.509~~. As used in this part or in any other law, with
69 respect to title insurance, the word "premium" does not include
70 a commission.

71 Section 3. This act shall take effect upon becoming a law.