

CHAMBER ACTION

1 The Committee on Insurance recommends the following:

2  
3 **Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

6 An act relating to the insurance premium tax; amending s.  
7 624.509, F.S.; requiring insurers to pay premium tax on  
8 certain title insurance premium gross receipts; providing  
9 limitations; amending s. 627.7711, F.S.; revising a  
10 definition of the term "premium" for title insurance  
11 purposes; providing an effective date.

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

14  
15 Section 1. Subsection (1) of section 624.509, Florida  
16 Statutes, is amended to read:

17 624.509 Premium tax; rate and computation.--

18 (1) In addition to the license taxes provided for in this  
19 chapter, each insurer shall also annually, and on or before  
20 March 1 in each year, except as to wet marine and transportation  
21 insurance taxed under s. 624.510, pay to the Department of  
22 Revenue a tax on insurance premiums, premiums for title  
23 insurance, or assessments, including membership fees and policy

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24 | fees and gross deposits received from subscribers to reciprocal  
 25 | or interinsurance agreements, and on annuity premiums or  
 26 | considerations, received during the preceding calendar year, the  
 27 | amounts thereof to be determined as set forth in this section,  
 28 | to wit:

29 |       (a) An amount equal to 1.75 percent of the gross amount of  
 30 | such receipts on account of life and health insurance policies  
 31 | covering persons resident in this state and on account of all  
 32 | other types of policies and contracts (except annuity policies  
 33 | or contracts taxable under paragraph (b) and title insurance  
 34 | policies or contracts written through affiliated and  
 35 | nonaffiliated agencies and taxable under paragraph (c)) covering  
 36 | property, subjects, or risks located, resident, or to be  
 37 | performed in this state, omitting premiums on reinsurance  
 38 | accepted, and less return premiums or assessments, but without  
 39 | deductions:

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

49 |       (b) An amount equal to 1 percent of the gross receipts on  
 50 | annuity policies or contracts paid by holders thereof in this  
 51 | state.

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

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

64        627.7711 Definitions.--As used in this part, the term:

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

75        Section 3. This act shall take effect January 1, 2005.