

By Senator Wise

5-958-04

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A bill to be entitled
An act relating to insurance premium taxes;
amending s. 624.509, F.S.; exempting a portion
of title insurance premiums from a premium tax;
amending s. 627.7711, F.S.; redefining the term
"premium" to conform; providing an effective
date.

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

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

624.509 Premium tax; rate and computation.--

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

(a) An amount equal to 1.75 percent of the gross
amount of such receipts on account of life and health
insurance policies covering persons resident in this state and
on account of all other types of policies and contracts,
~~(except annuity policies or contracts taxable under paragraph~~
(b) and title insurance policies or contracts written through
affiliated and nonaffiliated agencies taxable under paragraph

1 (c), covering property, subjects, or risks located, resident,
2 or to be performed in this state, omitting premiums on
3 reinsurance accepted, and less return premiums or assessments,
4 but without deductions:

- 5 1. For reinsurance ceded to other insurers;
- 6 2. For moneys paid upon surrender of policies or
7 certificates for cash surrender value;
- 8 3. For discounts or refunds for direct or prompt
9 payment of premiums or assessments; and
- 10 4. On account of dividends of any nature or amount
11 paid and credited or allowed to holders of insurance policies;
12 certificates; or surety, indemnity, reciprocal, or
13 interinsurance contracts or agreements; ~~and~~

14 (b) An amount equal to 1 percent of the gross receipts
15 on annuity policies or contracts paid by holders thereof in
16 this state; ~~and-~~

17 (c) An amount equal to 1.75 percent of the gross
18 receipts on title insurance written through affiliated and
19 nonaffiliated agencies, less the portion of the gross receipts
20 retained by or paid under contract to the affiliated and
21 nonaffiliated title insurance agents. The reduction in the
22 insurer's total amount of title insurance premium gross
23 receipts received through affiliated and nonaffiliated
24 agencies may not exceed 70 percent of the total title
25 insurance premium gross receipts received by the insurer
26 through affiliated and nonaffiliated agencies.

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

29 627.7711 Definitions.--As used in this part, the term:

30 (2) "Premium" means the charge, as specified by rule
31 of the commission, that is made by a title insurer for a title

1 insurance policy, including the charge for performance of
2 primary title services by a title insurer or title insurance
3 agent or agency, and incurring the risks incident to such
4 policy, under the several classifications of title insurance
5 contracts and forms, ~~and upon which charge a premium tax is~~
6 ~~paid under s. 624.509.~~ As used in this part or in any other
7 law, with respect to title insurance, the word "premium" does
8 not include a commission.

9 Section 3. This act shall take effect July 1, 2004.

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SENATE SUMMARY

Exempts a portion of title insurance premiums from a
premium tax.