

Amendment No. (for drafter's use only)

CHAMBER ACTION

Senate

House

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1 Representative(s) Arza offered the following:

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3 **Amendment (with title amendment)**

4 Between line(s) 629 and 630 insert:

5 Section 14. Subsection (8) is added to section 1004.28,  
6 Florida Statutes, to read:

7 1004.28 Direct-support organizations; use of property;  
8 board of directors; activities; audit; facilities.--

9 (8) TRUST AUTHORIZATION.--A direct-support organization is  
10 hereby authorized to establish a trust for the purpose of  
11 raising funds for its affiliated university. A trust established  
12 under this section is granted the identical insurable interest  
13 as that of a direct-support organization under s. 627.404 and,  
14 as such, may procure or cause to be procured a combination of  
15 life insurance policies and annuity contracts on the life of

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16 consenting individual insureds who provide an affidavit stating  
 17 they have a minimum net worth of \$5 million at the time of the  
 18 transaction. For the protection of the individual insureds, the  
 19 identity of such insureds shall not be disclosed by any party to  
 20 the transaction other than an individual insured who chooses to  
 21 disclose his or her own identity. Such transaction structures  
 22 involving the procurement or funding of the procurement of a  
 23 life insurance policy or annuity contract pursuant to this  
 24 section are subject to chapter 517 or federal securities law and  
 25 are prohibited without the prior approval of the Department of  
 26 Financial Services. The minimum percentage or amount of the life  
 27 insurance policy reasonably anticipated to be ultimately paid to  
 28 the direct-support organization may not be less than 5 percent  
 29 of the death benefit proceeds of the life insurance policy when  
 30 the transaction is executed. Any investment in the trust may  
 31 only be made by a qualified institutional buyer and such buyer  
 32 may not procure or hold any direct interest in the life  
 33 insurance policies or the annuity contracts or the benefits  
 34 therefrom except as part of a securitized transaction subject to  
 35 chapter 517 or federal securities law. The life insurance  
 36 policies procured or caused to be procured by the trust may not  
 37 be assigned or transferred by the trust and the ownership or  
 38 beneficiary designation in favor of the trust may not be  
 39 changed.

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41 ===== T I T L E A M E N D M E N T =====

42 Remove line(s) 49 and insert:

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HOUSE AMENDMENT

Bill No. HCB 6005

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43 reporting; amending s. 1004.28, F.S.; authorizing a state  
44 university direct-support organization to establish a trust for  
45 purposes of raising funds for its affiliated university;  
46 authorizing procurement of life insurance policies and annuity  
47 contracts by a trust; amending s. 1004.65, F.S.; including  
48 community

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