

Amendment No. (for drafter's use only)

CHAMBER ACTION

Senate

House

.
.
.



1 Representative(s) Berfield offered the following:

2

3 **Amendment (with title amendment)**

4 Remove lines 120-127 and insert:

5 (b) A service agreement company that maintains net assets
6 of at least \$10 million and that annually files with the office
7 a financial statement, audited using generally accepted
8 accounting principles, may use the 50-percent reserve or the
9 contractual liability coverage for specific blocks of new
10 service agreements. For purposes of this paragraph, the term
11 "specific blocks of new service agreements" means the service
12 agreements sold by a single designated licensed salesperson. A
13 service agreement company must be able to distinguish how each
14 individual service agreement is covered. A service agreement
15 company using the 50-percent reserve as permitted under this

982291

Amendment No. (for drafter's use only)

16 paragraph must obtain contractual liability insurance coverage
 17 for any future deficits in the premium reserve account directly
 18 attributable to the specific blocks of new agreements written.
 19 Such contractual liability insurance policy must be filed with
 20 the office. Such policy or endorsements to an existing policy
 21 must contain language evidencing that the contractual liability
 22 insurance policy shall pay claims arising out of such specific
 23 blocks of agreements if the service agreement company cannot or
 24 will not pay such claims. Any contractual liability insurance
 25 policy issued to a service agreement company under this part
 26 must cover all agreements issued during the term of the policy
 27 and, for purposes of this paragraph, the company must obtain and
 28 file with the office endorsements to that policy identifying the
 29 specific blocks of agreements not covered thereunder.

30
 31 ===== T I T L E A M E N D M E N T =====

32 Remove line(s) 15 and insert:
 33 providing a definition; providing contractual liability
 34 insurance coverage requirements; amending s. 634.136,
 35 F.S.;