

Bill No. CS for SB 2522

Barcode 584358

CHAMBER ACTION

Senate

House

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The Committee on Judiciary (Baker) recommended the following amendment:

Senate Amendment (with title amendment)

On page 3, between lines 11 and 12,

insert:

Section 5. Section 628.511, Florida Statutes, is amended to read:

628.511 Clearing corporations ~~Book entry accounting system.--~~

(1) The purpose of this section is to authorize domestic insurers to utilize modern systems for holding and transferring securities without physical delivery of securities certificates, subject to appropriate rules of the commission.

(2) The following terms are defined for use in this section:

(a) "Securities" means instruments as defined in s. 678.1021.

(b) "Clearing corporation" means a clearing

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1 corporation as defined in s. 678.1021. The term "clearing
2 corporation" also includes "Treasury/Reserve Automated Debt
3 Entry Securities System" and "Treasury Direct" book-entry
4 securities systems established pursuant to 31 U.S.C. ss. 3100
5 et seq., 12 U.S.C. 391, and 5 U.S.C. 301.

6 (c) "Custodian" ~~"Direct participant"~~ means a national
7 bank, state bank, ~~or trust company, or broker/dealer that~~
8 ~~which maintains an account in its name in a clearing~~
9 ~~corporation and through which an insurance company~~
10 participates in a clearing corporation.

11 (d) ~~"Federal Reserve book-entry system" means the~~
12 ~~computerized systems sponsored by the United States Department~~
13 ~~of the Treasury and agencies and instrumentalities of the~~
14 ~~United States for holding and transferring securities of the~~
15 ~~United States Government and such agencies and~~
16 ~~instrumentalities, respectively, in Federal Reserve banks~~
17 ~~through banks which are members of the Federal Reserve System~~
18 ~~or which otherwise have access to such computerized systems.~~

19 (e) ~~"Member bank" means a national bank, state bank or~~
20 ~~trust company which is a member of the Federal Reserve System~~
21 ~~and through which an insurer participates in the Federal~~
22 ~~Reserve book-entry system.~~

23 (3) Notwithstanding any other provision of law, a
24 domestic insurer may deposit or arrange for the deposit of
25 securities held in or purchased for its general account and
26 its separate accounts in a clearing corporation ~~or in the~~
27 ~~Federal Reserve book-entry system.~~ When securities are
28 deposited with a clearing corporation, certificates
29 representing securities of the same class of the same issuer
30 may be merged and held in bulk in the name of the nominee of
31 such clearing corporation with any other securities deposited

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1 with such clearing corporation by any person, regardless of
 2 the ownership of such securities, and certificates
 3 representing securities of small denominations may be merged
 4 into one or more certificates of larger denominations. The
 5 records of any custodian ~~bank~~ through which an insurer holds
 6 securities in ~~the Federal Reserve book-entry system, and the~~
 7 ~~records of any custodian banks through which an insurer holds~~
 8 ~~securities in a clearing corporation,~~ shall at all times show
 9 that such securities are held for such insurer and for which
 10 accounts thereof. Ownership of, and other interests in, such
 11 securities may be transferred by bookkeeping entry on the
 12 books of such clearing corporation ~~or in the Federal Reserve~~
 13 ~~book-entry system without, in either case,~~ physical delivery
 14 of certificates representing such securities.

15 (4) The commission may adopt rules governing the
 16 deposit by insurers of securities with clearing corporations
 17 ~~and in the Federal Reserve book-entry system.~~

18
 19 (Redesignate subsequent sections.)

20
 21
 22 ===== T I T L E A M E N D M E N T =====

23 And the title is amended as follows:

24 On page 1, line 13, after the semicolon
 25
 26 insert:
 27 amending s. 628.511, F.S.; redefining the terms
 28 "clearing corporation" and "custodian";
 29 deleting definitions of the terms "book entry
 30 system" and "member bank" and making conforming
 31 changes;