

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative(s) Grant offered the following:

2
3 **Substitute Amendment for Amendment (689129) (with title**
4 **amendment)**

5 Between lines 9 and 10, insert:

6 Section 1. Subsections (1) and (2) of section 628.461,
7 Florida Statutes, are amended to read:

8 628.461 Acquisition of controlling stock.--

9 (1) No person shall, individually or in conjunction with
10 any affiliated person of such person, acquire directly or
11 indirectly, conclude a tender offer or exchange offer for, enter
12 into any agreement to exchange securities for, or otherwise
13 finally acquire 5 percent or more of, the outstanding voting
14 securities of a domestic stock insurer or of a controlling
15 company, unless:

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16 (a) The person or affiliated person has filed with the
17 office:

18 1. And sent to the insurer and controlling company a
19 letter of notification relating to the transaction or proposed
20 transaction ~~statement as specified in subsection (3)~~ no later
21 than 5 days after any form of tender offer or exchange offer is
22 proposed, or no later than 5 days after the acquisition of the
23 securities if no tender offer or exchange offer is involved.
24 Such notification shall be provided on forms prescribed by the
25 commission containing information deemed necessary to understand
26 the transaction and identify all purchasers and owners involved;
27 and

28 2. A statement as specified in subsection (3). Such
29 statement shall be completed and filed within 30 days after any
30 definitive acquisition agreement is entered into, any form of
31 tender offer or exchange offer is proposed, or the securities
32 are acquired if no definitive acquisition agreement, tender
33 offer, or exchange offer is involved; and

34 (b) The office has approved the tender or exchange offer,
35 or acquisition if no tender offer or exchange offer is involved,
36 and approval is in effect.

37
38 In lieu of a filing as required under this subsection, a party
39 acquiring less than 10 percent of the outstanding voting
40 securities of an insurer may file a disclaimer of affiliation
41 and control. The disclaimer shall fully disclose all material
42 relationships and basis for affiliation between the person and
43 the insurer as well as the basis for disclaiming the affiliation

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44 and control. After a disclaimer has been filed, the insurer
45 shall be relieved of any duty to register or report under this
46 section which may arise out of the insurer's relationship with
47 the person unless and until the office disallows the disclaimer.
48 The office shall disallow a disclaimer only after furnishing all
49 parties in interest with notice and opportunity to be heard and
50 after making specific findings of fact to support the
51 disallowance. A filing as required under this subsection must be
52 made as to any acquisition that equals or exceeds 10 percent of
53 the outstanding voting securities.

54 (2) This section does not apply to any acquisition of
55 voting securities of a domestic stock insurer or of a
56 controlling company by any person who, on July 1, 1976, is the
57 owner of a majority of such voting securities or who, on or
58 after July 1, 1976, becomes the owner of a majority of such
59 voting securities with the approval of the office pursuant to
60 this section. The person or affiliated person filing the notice
61 required in subparagraph (1)(a)1. may request, in writing, the
62 office to waive the requirements of subparagraph (1)(a)2. if
63 there is no change in the ultimate controlling shareholder or
64 ownership percentages of the ultimate controlling shareholders
65 and no unaffiliated parties acquire any direct or indirect
66 interest in the insurer. The office may waive such filing if the
67 office determines that in fact there is no change in the
68 ultimate controlling shareholder or ownership percentages of the
69 ultimate controlling shareholders and no unaffiliated parties
70 acquire any direct or indirect interest in the insurer.

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71 Section 2. Subsections (2) and (3) of section 628.4615,
72 Florida Statutes, are amended to read:

73 628.4615 Specialty insurers; acquisition of controlling
74 stock, ownership interest, assets, or control; merger or
75 consolidation.--

76 (2) No person shall, individually or in conjunction with
77 any affiliated person of such person, directly or indirectly,
78 conclude a tender offer or exchange offer for, enter into any
79 agreement to exchange securities for, or otherwise finally
80 acquire, 10 percent or more of the outstanding voting securities
81 of a specialty insurer which is a stock corporation or of a
82 controlling company of a specialty insurer which is a stock
83 corporation; or conclude an acquisition of, or otherwise finally
84 acquire, 10 percent or more of the ownership interest of a
85 specialty insurer which is not a stock corporation or of a
86 controlling company of a specialty insurer which is not a stock
87 corporation, unless:

88 (a) The person or affiliated person has filed with the
89 office:

90 1. And sent by registered mail to the principal office of
91 the specialty insurer and controlling company a letter of
92 notification relating to the transaction or proposed transaction
93 ~~an application, signed under oath and prepared on forms~~
94 ~~prescribed by the commission, that contains the information~~
95 ~~specified in subsection (4)~~ no later than 5 days after any form
96 of tender offer or exchange offer is proposed, or no later than
97 5 days after the acquisition of the securities or ownership
98 interest if no tender offer or exchange offer is involved. Such

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99 notification shall be provided on forms prescribed by the
100 commission containing information deemed necessary to understand
101 the transaction and identify all purchasers and owners involved.

102 2. An application, signed under oath and prepared on forms
103 prescribed by the commission, that contains the information
104 specified in subsection (4). The application shall be completed
105 and filed within 30 days after any form of tender offer or
106 exchange offer is proposed, or after the securities are acquired
107 if no tender offer or exchange offer is involved.

108 (b) The office has approved the tender offer or exchange
109 offer, or acquisition if no tender offer or exchange offer is
110 involved.

111 (3) This section does not apply to any acquisition of
112 voting securities or ownership interest of a specialty insurer
113 or of a controlling company by any person who, on July 9, 1986,
114 is the owner of a majority of such voting securities or
115 ownership interest or who, on or after July 9, 1986, becomes the
116 owner of a majority of such voting securities or ownership
117 interest with the approval of the office pursuant to this
118 section. The person or affiliated person filing the notice
119 required in subparagraph (2)(a)1. may request, in writing, the
120 office to waive the requirements of subparagraph (2)(a)2. if
121 there is no change in the ultimate controlling shareholder or
122 ownership percentages of the ultimate controlling shareholders
123 and no unaffiliated parties acquire any direct or indirect
124 interest in the specialty insurer. The office may waive such
125 filing if the office determines that in fact there is no change
126 in the ultimate controlling shareholder or ownership percentages

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127 of the ultimate controlling shareholders and no unaffiliated
128 parties acquire any direct or indirect interest in the specialty
129 insurer.

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

132 Between lines 2 and 3, insert:

133 amending s. 628.461, F.S.; revising criteria for acquiring
134 controlling stock of a domestic insurer or controlling company;
135 revising criteria for nonapplication to certain acquisitions;
136 providing requirements and criteria for authorized waivers by
137 the Office of Insurance Regulation of certain requirements;
138 amending s. 628.4615, F.S.; revising criteria for acquiring
139 controlling stock of certain specialty insurers or controlling
140 companies; revising criteria for nonapplication to certain
141 acquisitions; providing requirements and criteria for authorized
142 waivers by the Office of Insurance Regulation of certain
143 requirements;