

1 A bill to be entitled
 2 An act relating to ownership or transfer of securities;
 3 amending s. 628.511, F.S.; revising provisions authorizing
 4 domestic insurers' ownership or transfer of certain
 5 securities without physical delivery of certificates;
 6 providing an effective date.

7
 8 Be It Enacted by the Legislature of the State of Florida:

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 10 Section 1. Section 628.511, Florida Statutes, is amended
 11 to read:

12 628.511 Ownership or transfer of securities without
 13 physical delivery of certificates ~~Book entry accounting~~
 14 ~~system.~~--

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

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

21 (a) "Securities" means instruments as defined in s.
 22 678.1021.

23 (b) "Clearing corporation" means a clearing corporation as
 24 defined in s. 678.1021 and includes the Treasury/Reserve
 25 Automated Debt Entry System or Treasury Direct book-entry
 26 securities systems as established pursuant to 31 U.S.C. chapter
 27 31, 12 U.S.C. s. 391, and 5 U.S.C. s. 301.

28 (c) "Custodian Direct participant" means a national bank,
 29 state bank, ~~or~~ trust company, broker, or dealer that ~~which~~
 30 maintains an account in its name in a clearing corporation and
 31 through which an insurance company participates in a clearing
 32 corporation.

33 ~~(d) "Federal Reserve book entry system" means the~~
 34 ~~computerized systems sponsored by the United States Department~~
 35 ~~of the Treasury and agencies and instrumentalities of the United~~
 36 ~~States for holding and transferring securities of the United~~
 37 ~~States Government and such agencies and instrumentalities,~~
 38 ~~respectively, in Federal Reserve banks through banks which are~~
 39 ~~members of the Federal Reserve System or which otherwise have~~
 40 ~~access to such computerized systems.~~

41 ~~(e) "Member bank" means a national bank, state bank or~~
 42 ~~trust company which is a member of the Federal Reserve System~~
 43 ~~and through which an insurer participates in the Federal Reserve~~
 44 ~~book entry system.~~

45 (3) Notwithstanding any other provision of law, a domestic
 46 insurer may deposit or arrange for the deposit of securities
 47 held in or purchased for its general account and its separate
 48 accounts in a clearing corporation ~~or in the Federal Reserve~~
 49 ~~book entry system~~. When securities are deposited with a clearing
 50 corporation, certificates representing securities of the same
 51 class of the same issuer may be merged and held in bulk in the
 52 name of the nominee of such clearing corporation with any other
 53 securities deposited with such clearing corporation by any
 54 person, regardless of the ownership of such securities, and
 55 certificates representing securities of small denominations may

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56 be merged into one or more certificates of larger denominations.
57 The records of any custodian bank through which an insurer holds
58 securities ~~in the Federal Reserve book entry system, and the~~
59 ~~records of any custodian banks through which an insurer holds~~
60 ~~securities~~ in a clearing corporation, shall at all times show
61 that such securities are held for such insurer and for which
62 accounts thereof. Ownership of, and other interests in, such
63 securities may be transferred by bookkeeping entry on the books
64 of such clearing corporation ~~or in the Federal Reserve book-~~
65 ~~entry system~~ without, ~~in either case,~~ physical delivery of
66 certificates representing such securities.

67 (4) The commission may adopt rules governing the deposit
68 by insurers of securities with clearing corporations ~~and in the~~
69 ~~Federal Reserve book entry system.~~

70 Section 2. This act shall take effect upon becoming a law.