

Bill No. SB 562

Barcode 674080

CHAMBER ACTION

Senate

House

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Senator Alexander moved the following amendment:

Senate Amendment (with title amendment)

On page 1, line 10,

insert:

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

628.461 Acquisition of controlling stock.--

(1) A ~~No~~ person may not ~~shall~~, individually or in conjunction with any affiliated person of such person, acquire directly or indirectly, conclude a tender offer or exchange offer for, enter into any agreement to exchange securities for, or otherwise finally acquire 5 percent or more of~~7~~ the outstanding voting securities of a domestic stock insurer or of a controlling company, unless:

(a) The person or affiliated person has filed with the office and sent to the insurer and controlling company a letter of notification regarding the transaction or proposed transaction ~~statement as specified in subsection (3)~~ no later than 5 days after any form of tender offer or exchange offer

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1 is proposed, or no later than 5 days after the acquisition of
 2 the securities if no tender offer or exchange offer is
 3 involved. The notification must be provided on forms
 4 prescribed by the commission containing information determined
 5 necessary to understand the transaction and identify all
 6 purchasers and owners involved; and

7 (b) Has filed with the office a statement as specified
 8 in subsection (3). The statement must be completed and filed
 9 within 30 days after:

10 1. Any definitive acquisition agreement is entered;

11 2. Any form of tender offer or exchange offer is
 12 proposed; or

13 3. The acquisition of the securities, if no definitive
 14 acquisition agreement, tender offer, or exchange offer is
 15 involved; and

16 (c)(b) The office has approved the tender or exchange
 17 offer, or acquisition if no tender offer or exchange offer is
 18 involved, and approval is in effect.

19
 20 In lieu of a filing as required under this subsection, a party
 21 acquiring less than 10 percent of the outstanding voting
 22 securities of an insurer may file a disclaimer of affiliation
 23 and control. The disclaimer shall fully disclose all material
 24 relationships and basis for affiliation between the person and
 25 the insurer as well as the basis for disclaiming the
 26 affiliation and control. After a disclaimer has been filed,
 27 the insurer shall be relieved of any duty to register or
 28 report under this section which may arise out of the insurer's
 29 relationship with the person unless and until the office
 30 disallows the disclaimer. The office shall disallow a
 31 disclaimer only after furnishing all parties in interest with

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1 notice and opportunity to be heard and after making specific
 2 findings of fact to support the disallowance. A filing as
 3 required under this subsection must be made as to any
 4 acquisition that equals or exceeds 10 percent of the
 5 outstanding voting securities.

6 (2) This section does not apply to any acquisition of
 7 voting securities of a domestic stock insurer or of a
 8 controlling company by any person who, on July 1, 1976, is the
 9 owner of a majority of such voting securities or who, on or
 10 after July 1, 1976, becomes the owner of a majority of such
 11 voting securities with the approval of the office under
 12 pursuant to this section. The person or affiliated person
 13 filing the notice required by paragraph (1)(a) may request, in
 14 writing, the office to waive the requirements of paragraph
 15 (1)(b) if there is no change in the ultimate controlling
 16 shareholder or ownership percentages of the ultimate
 17 controlling shareholders and no unaffiliated parties acquire
 18 any direct or indirect interest in the insurer. The office may
 19 wave the filing if it determines that in fact there is no
 20 change in the ultimate controlling shareholder or ownership
 21 percentages of the ultimate controlling shareholders and no
 22 unaffiliated parties will acquire any direct or indirect
 23 interest in the insurer.

24 Section 2. Subsections (2) and (3) of section
 25 628.4615, Florida Statutes, are amended to read:

26 628.4615 Specialty insurers; acquisition of
 27 controlling stock, ownership interest, assets, or control;
 28 merger or consolidation.--

29 (2) A ~~No~~ person may not ~~shall~~, individually or in
 30 conjunction with any affiliated person of such person,
 31 directly or indirectly, conclude a tender offer or exchange

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1 offer for, enter into any agreement to exchange securities
 2 for, or otherwise finally acquire, 10 percent or more of the
 3 outstanding voting securities of a specialty insurer which is
 4 a stock corporation or of a controlling company of a specialty
 5 insurer which is a stock corporation; or conclude an
 6 acquisition of, or otherwise finally acquire, 10 percent or
 7 more of the ownership interest of a specialty insurer which is
 8 not a stock corporation or of a controlling company of a
 9 specialty insurer which is not a stock corporation, unless:

10 (a) The person or affiliated person has filed with the
 11 office and sent by registered mail to the principal office of
 12 the specialty insurer and controlling company a letter of
 13 notification regarding the transaction or proposed transaction
 14 an application, signed under oath and prepared on forms
 15 prescribed by the commission, that contains the information
 16 specified in subsection (4) no later than 5 days after any
 17 form of tender offer or exchange offer is proposed, or no
 18 later than 5 days after the acquisition of the securities or
 19 ownership interest if no tender offer or exchange offer is
 20 involved. The notification must be provided on forms
 21 prescribed by the commission containing information determined
 22 necessary to understand the transaction and identify all
 23 purchasers and owners involved;

24 (b) Has filed with the office an application signed
 25 under oath and prepared on forms prescribed by the commission
 26 which contains the information specified in subsection (4).
 27 The application must be completed and filed within 30 days
 28 after any form of tender offer or exchange offer is proposed,
 29 or after the acquisition of the securities if no tender offer
 30 or exchange offer is involved; and

31 (c)(b) The office has approved the tender offer or

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1 exchange offer, or acquisition if no tender offer or exchange
2 offer is involved.

3 (3) This section does not apply to any acquisition of
4 voting securities or ownership interest of a specialty insurer
5 or of a controlling company by any person who, on July 9,
6 1986, is the owner of a majority of such voting securities or
7 ownership interest or who, on or after July 9, 1986, becomes
8 the owner of a majority of such voting securities or ownership
9 interest with the approval of the office under ~~pursuant to~~
10 this section. The person or affiliated person filing the
11 required notice in paragraph (2)(a) may request the office to
12 waive the requirements of paragraph (2)(b) if there is no
13 change in the ultimate controlling shareholder or ownership
14 percentages of the ultimate controlling shareholders and no
15 unaffiliated parties acquire any direct or indirect interest
16 in the specialty insurer. The office may waive the filing if
17 it determines that in fact there is no change in the ultimate
18 controlling shareholder or ownership percentages of the
19 ultimate controlling shareholders and no unaffiliated parties
20 will acquire any direct or indirect interest in the specialty
21 insurer.

22
23 (Redesignate subsequent sections.)

24
25

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

27 And the title is amended as follows:

28 On page 1, line 3, after the first semicolon,

29

30 insert:

31 amending s. 628.461, F.S.; revising notice and

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1 filing requirements and providing additional
2 grounds for exemption from provisions relating
3 to acquisition of controlling stock; amending
4 s. 628.4615, F.S.; revising notice and filing
5 requirements and providing additional grounds
6 for exemption from provisions relating to
7 acquisition of controlling stock in a specialty
8 insurer;

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