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1  
2 An act relating to the Insurance Capital Build-Up  
3 Incentive Program; amending s. 215.5595, F.S.;  
4 requiring that repayments made by property insurers of  
5 surplus notes issued under the program be deposited  
6 into the General Revenue Fund; providing an effective  
7 date.

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

10  
11 Section 1. Paragraph (f) of subsection (2) of section  
12 215.5595, Florida Statutes, is amended to read:

13 215.5595 Insurance Capital Build-Up Incentive Program.—

14 (2) The purpose of this section is to provide funds in  
15 exchange for surplus notes to be issued by new or existing  
16 authorized residential property insurers under the Insurance  
17 Capital Build-Up Incentive Program administered by the State  
18 Board of Administration, under the following conditions:

19 (f)1. The surplus note must be repayable to the state with  
20 a term of 20 years. The surplus note shall accrue interest on  
21 the unpaid principal balance at a rate equivalent to the 10-year  
22 U.S. Treasury Bond rate, require the payment only of interest  
23 during the first 3 years, and include such other terms as  
24 approved by the board. The board may charge late fees up to 5  
25 percent for late payments or other late remittances. Payment of  
26 principal, interest, or late fees by the insurer on the surplus  
27 note must be approved by the Commissioner of Insurance, who  
28 shall approve such payment unless the commissioner determines  
29 that such payment will substantially impair the financial

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30 condition of the insurer. If such a determination is made, the  
31 commissioner shall approve such payment that will not  
32 substantially impair the financial condition of the insurer.

33 2. Within 30 days after receiving principal, interest, and  
34 late fees from insurers, the board shall deposit such moneys  
35 into the General Revenue Fund.

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