

HB 661

2010

1 A bill to be entitled
2 An act relating to minimum surplus requirements for
3 mortgage guaranty insurers; amending s. 635.042, F.S.;
4 authorizing the Commissioner of Insurance Regulation to
5 permit a temporary exception to certain requirements under
6 certain circumstances; revising authority of the Office of
7 Insurance Regulation to take action against a noncomplying
8 insurer under certain circumstances; providing an
9 effective date.

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11 Be It Enacted by the Legislature of the State of Florida:

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13 Section 1. Section 635.042, Florida Statutes, is amended
14 to read:

15 635.042 Minimum surplus requirement.—

16 (1) A mortgage guaranty insurer shall maintain a minimum
17 surplus of not less than the greater of \$4 million or 10 percent
18 of the insurer's total outstanding liabilities other than the
19 required contingency reserve. A mortgage guaranty insurer is not
20 required to have a surplus as to policyholders greater than \$100
21 million.

22 (2) A mortgage guaranty insurer must possess sufficient
23 capital and surplus so that the total outstanding aggregate
24 exposure net of reinsurance under mortgage guaranty policies
25 written by the insurer does not exceed 25 times its paid-in
26 capital, surplus, and contingency reserve combined. A mortgage
27 guaranty insurer shall disclose in the audited financial reports
28 required under s. 624.424(8), the total aggregate exposure net

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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29 | of reinsurance under mortgage guaranty policies written by the
30 | insurer. The Commissioner of Insurance Regulation may permit a
31 | temporary exception to the requirements of this subsection at
32 | the written request of a mortgage guaranty insurer upon a
33 | finding that the mortgage guaranty insurer's financial position
34 | is reasonable in relationship to the mortgage guaranty insurer's
35 | aggregate insured risk and financial needs.

36 | (3) If a mortgage guaranty insurer is not in compliance
37 | with this section and has not been permitted an exception as
38 | provided in subsection (2), the office may take any action
39 | against the insurer that the office may take against an insurer
40 | that is not in compliance with s. 624.408.

41 | Section 2. This act shall take effect July 1, 2010.