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LEGISLATIVE ACTION

Senate	.	House
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The Committee on Budget Subcommittee on Finance and Tax
(Bogdanoff) recommended the following:

Senate Amendment (with title amendment)

Delete lines 98 - 138
and insert:

Section 4. Section 626.9362, Florida Statutes, is created
to read:

626.9362 Multistate reciprocal agreement or compact fiscal
analysis.—For the purpose of carrying out the Nonadmitted and
Reinsurance Reform Act of 2010, 15 U.S.C. 8201 et seq., the
insurance commissioner, in conjunction with the Florida Surplus
Lines Service Office, shall conduct a fiscal analysis of the
impact of this state entering into the Nonadmitted Insurance



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13 Multi-State Agreement and the Surplus Lines Insurance Multi-
14 State Compliance Compact for determining eligibility for
15 placement of nonadmitted insurance, for payment, reporting, and
16 collection of the premium tax on nonadmitted insurance. The
17 fiscal analysis report must also include:

18 (1) The date that the Nonadmitted Insurance Multi-State
19 Agreement took effect and a copy of all rules, regulations, and
20 procedures, adopted pursuant to the agreement.

21 (2) The date that the Surplus Lines Insurance Multi-State
22 Compliance Compact took effect and a copy of all rules,
23 regulations, and procedures, adopted pursuant to the compact.

24 (3) The names of the states that have joined or agreed to
25 join the Nonadmitted Insurance Multi-State Agreement and the
26 Surplus Lines Insurance Multi-State Agreement as of the date of
27 the estimates required under subsections (5)-(8).

28 (4) The total amount of nonadmitted insurance premium and
29 the premium tax payable on such premium by each state named in
30 (3).

31 (5) An estimate of the total premium on nonadmitted
32 insurance covering properties, risks, or exposures located
33 solely in this state and an estimate of the amount of premium
34 tax payable on those properties, risks, or exposures. The
35 estimate also must include the number of policies, the number
36 and location of risks covered, the source of the information,
37 and the methods used to make the estimate.

38 (6) An estimate of the total amount of premium on
39 nonadmitted insurance covering properties, risks, or exposures
40 located in multiple states for which this state is the home
41 state, as defined in the Nonadmitted and Reinsurance Reform Act



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42 of 2010, and the total amount of premium tax payable to this
43 state on those properties, risks, or exposures if this state is
44 not a member of the Nonadmitted Insurance Multi-State Agreement
45 or the Surplus Lines Insurance Multi-State Compliance Compact.
46 The estimate also must include the number of policies, the
47 number and location of risks covered, the source of the
48 information, and the methods used to make the estimate.

49 (7) An estimate of the total amount of premium on
50 nonadmitted insurance covering properties, risks, or exposures
51 located in multiple states where Florida is the home state, as
52 defined in the Nonadmitted and Reinsurance Reform Act, and the
53 total amount of premium tax payable to this state on those
54 properties, risks, or exposures payable to this state if this
55 state is a member of the Nonadmitted Insurance Multi-State
56 Agreement and if this state is a member of the Surplus Lines
57 Insurance Multi-State Compliance Compact. The estimate also must
58 include the number of policies, the number and location of risks
59 covered, the source of the information, and the methods used to
60 make the estimate.

61 (8) An estimate of the total amount of premium on
62 nonadmitted insurance covering properties, risks, or exposures
63 located in multiple states where a state other than this state
64 is the home state, as defined in the Nonadmitted Reinsurance
65 Reform Act, and the total amount of premium tax payable to this
66 state on those properties, risks, or exposures payable to this
67 state if this state is a member of the Nonadmitted Insurance
68 Multi-State Agreement and if this state is a member of the
69 Surplus Lines Insurance Multi-State Compliance Compact. The
70 estimate also must include the number of policies, the number



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71 and location of risks covered, the source of the information,
72 and the methods used to make the estimate.

73
74 The insurance commissioner shall submit the fiscal analysis
75 report to the Governor, the President of the Senate, and the
76 Speaker of the House of Representatives by December 31, 2011.

77 The fiscal analysis must include the information used to
78 complete the analysis and a recommendation of whether fiscal
79 advantages to this state exist to enter into a multistate
80 reciprocal compact or agreement.

81
82 ===== T I T L E A M E N D M E N T =====

83 And the title is amended as follows:

84 Delete lines 14 - 54

85 and insert:

86 certain circumstances; creating s. 626.9362, F.S.;

87 requiring the insurance commissioner, in conjunction

88 with the Florida Surplus Lines Service Office, to

89 conduct a fiscal analysis of the benefits this state

90 would receive by participating in the Nonadmitted

91 Insurance Multi-State Agreement or the Surplus Lines

92 Insurance Multi-State Compliance Compact; requiring

93 the findings and recommendations of the analysis to be

94 reported to the Governor and the Legislature;

95 providing for application; amending s. 626.938, F.S.;

96 requiring certain insureds or self insurers engaging

97 in specified insurance transactions with a foreign or

98 alien insurer to compute the premium tax and service

99 fees based on the gross premium under certain



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100 circumstances; requiring such insureds or self
101 insurers to pay the applicable premium tax to the
102 department and the service fee to the Florida Surplus
103 Lines Service Office on or before a specified time;
104 providing an effective date.

105
106 WHEREAS, the 111th Congress passed the Nonadmitted and
107 Reinsurance Reform Act of 2010 (NRRA), and

108 WHEREAS, the NRRA provides that no state other than the
109 home state of an insured may require any premium tax payment for
110 nonadmitted insurance and defines "home state" as the state in
111 which an insured maintains its principal place of business [15
112 U.S.C. s. 8206], and

113 WHEREAS, as a result of the NRRA, premium tax payments that
114 would otherwise be paid to Florida will be paid to other states,
115 and

116 WHEREAS, the NRRA allows states to enter into a compact or
117 otherwise establish procedures to allocate among the states the
118 premium taxes paid to an insured's home state, and

119 WHEREAS, the National Association of Insurance
120 Commissioners and the National Conference of Insurance
121 Legislators have adopted agreements or compacts for states to
122 use for that purpose, and

123 WHEREAS, a state must enter into an agreement or otherwise
124 establish procedures to allocate among the states the premium
125 taxes on nonadmitted insurance paid to an insured's home state
126 before the expiration of a 330-day period that began on July 21,
127 2010, to apply to the payment of taxes to other states on the
128 effective date of this act, pursuant to the NRRA [15 U.S.C. s.



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129 8201], NOW, THEREFORE,