

By the Committee on Banking and Insurance; and Senator Diaz de la Portilla

597-01932-15

2015678c1

1 A bill to be entitled
2 An act relating to reciprocal insurers; amending s.
3 629.271, F.S.; authorizing domestic reciprocal
4 insurers to return a portion of unassigned funds to
5 their subscribers; providing limitations; providing an
6 effective date.

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

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10 Section 1. Section 629.271, Florida Statutes, is amended to
11 read:

12 629.271 Distribution of savings.—

13 (1) A reciprocal insurer may ~~from time to time~~ return to
14 its subscribers any unused premiums, savings, or credits
15 accruing to their accounts. ~~Any~~ Such distribution may ~~shall~~ not
16 unfairly discriminate between classes of risks, or policies, or
17 between subscribers, but ~~such distribution~~ may vary as to
18 classes of subscribers based on ~~upon~~ the experience of the ~~such~~
19 classes.

20 (2) In addition to the option provided in subsection (1), a
21 domestic reciprocal insurer may, upon the prior written approval
22 of the office, pay to its subscribers a portion of unassigned
23 funds of up to 10 percent of surplus with such distribution
24 limited to 50 percent of net income from the previous calendar
25 year. Such distribution may not unfairly discriminate between
26 classes of risks or policies, or between subscribers, but may
27 vary as to classes of subscribers based on the experience of
28 such classes.

29 Section 2. This act shall take effect July 1, 2015.