

HB413

2016

1 A bill to be entitled
 2 An act relating to title insurance; amending s.
 3 627.778, F.S.; revising certain limitations on
 4 assumption of risk by title insurers; authorizing a
 5 title insurer to obtain reinsurance by a reinsurance
 6 treaty or other reinsurance agreement under certain
 7 conditions; providing an effective date.

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

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 11 Section 1. Paragraph (a) of subsection (1) of section
 12 627.778, Florida Statutes, is amended, and subsection (4) is
 13 added to that section, to read:

14 627.778 Limit of risk.—

15 (1) (a) A title insurer may not issue any contract of title
 16 insurance, either as a primary insurer or as a coinsurer or
 17 reinsurer, upon an estate, lien, or interest in property located
 18 in this state unless:

19 1. The contract shows on its face the dollar amount of the
 20 risk assumed; and

21 2. The dollar amount of the risk assumed does not exceed
 22 ~~one-half of~~ its surplus as to policyholders, unless the excess
 23 is simultaneously reinsured in one or more authorized ~~approved~~
 24 insurers.

25 (4) Notwithstanding any other provision of this part, a
 26 title insurer may obtain reinsurance by a reinsurance treaty or

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27 other reinsurance agreement from an assuming insurer with a
28 financial strength rating of "A" or higher by A. M. Best Company
29 or an equivalent rating by another national rating service
30 acceptable to the office.

31 Section 2. This act shall take effect July 1, 2016.